23 February 2016

Company Announcements Office
Exchange Centre
Level 6
20 Bridge Street
Sydney, NSW 2000 Australia

Mighty River Power Limited (ASX:MYT) (ARBN 162 804 668)

HY2016 Results and Interim Report

Attached are the following documents in relation to Mighty River Power's financial results for the six months ended 31 December 2015:

> NZX Appendix 1

> 2016 Interim Report including unaudited financial statements for the six months ended 31 December 2015 and Auditor’s Review Report

> News Release

> Financial commentary

> Results presentation

> NZX Appendix 7 in relation to Mighty River Power's interim dividend

Dividend information filed on Appendix 3A.1 will follow.

Yours faithfully

Tony Nagel

Company Secretary

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Appendix 1 – Interim results announcement

Stock Exchange listings NZX (MRP) ASX (MYT)

Interim results for announcement to the market

1. Half year reporting periods		
Reporting Period	6 months to 31 December 2015	
Previous Reporting Period	6 months to 31 December 2014	
2. Results for announcement to the market		
	NZD Amount ($M)	Percentage change
Revenue from ordinary activities	813	-7.0%
Profit from ordinary activities after tax attributable to security holders	74	+825.0%
Net profit attributable to security holders	74	+825.0%
Earnings before net interest expense, income tax, depreciation, amortisation, change in fair value of financial instruments, impairments and equity accounted earnings (EBITDAF)	257	-0.4%
Underlying earnings after tax [1]	89	-1.1%
	NZD Amount	Percentage change
Basic and diluted earnings per share (weighted average number of shares)	$0.0538	+827.6%
Net tangible assets per share (excluding treasury shares)	$2.31	+7.9%
Interim Dividend	Amount per security	Imputed amount per security
Interim Dividend	$0.057	$0.022167 [2]
Record Date	11 March 2016	
Dividend Payment Date	31 March 2016	
Comments:	1. Underlying earnings after tax excludes one-off and/or infrequently occurring events (exceeding $10 million of net profit before tax). This is a non-GAAP measure.	
	2. A supplementary dividend of $0.010059 per share will be payable on the interim dividend to shareholders who are not resident in New Zealand.	

3. Control of entities gained or lost

Name	Date control lost
MRP Peru S.R.L	Entity liquidated 24 September 2015
MRP Peru Holdings LLC	Entity dissolved 22 December 2015

4. Dividends

See section 2 above and NZX Appendix 7 attached.

5. Dividend or distribution reinvestment plans

None.

6. Associates and joint venture entities

Refer to Consolidated Interim Financial Statements.

Attachments:

> News release
> Financial commentary
> Investor presentation
> NZX Appendix 7 – interim ordinary dividend
> 2016 Interim Report, including
  > Unaudited Interim Financial Statements for the 6 month period year ended 31 December 2015
  > EY Review Report

INTERIM REPORT 2016

Our energy.
With you every day.

MIGHTY RIVER POWER

Our energy.

From the passion of our people like Aroha Willis (pictured cover) **and the engagement of our customers who inspire us every day.**

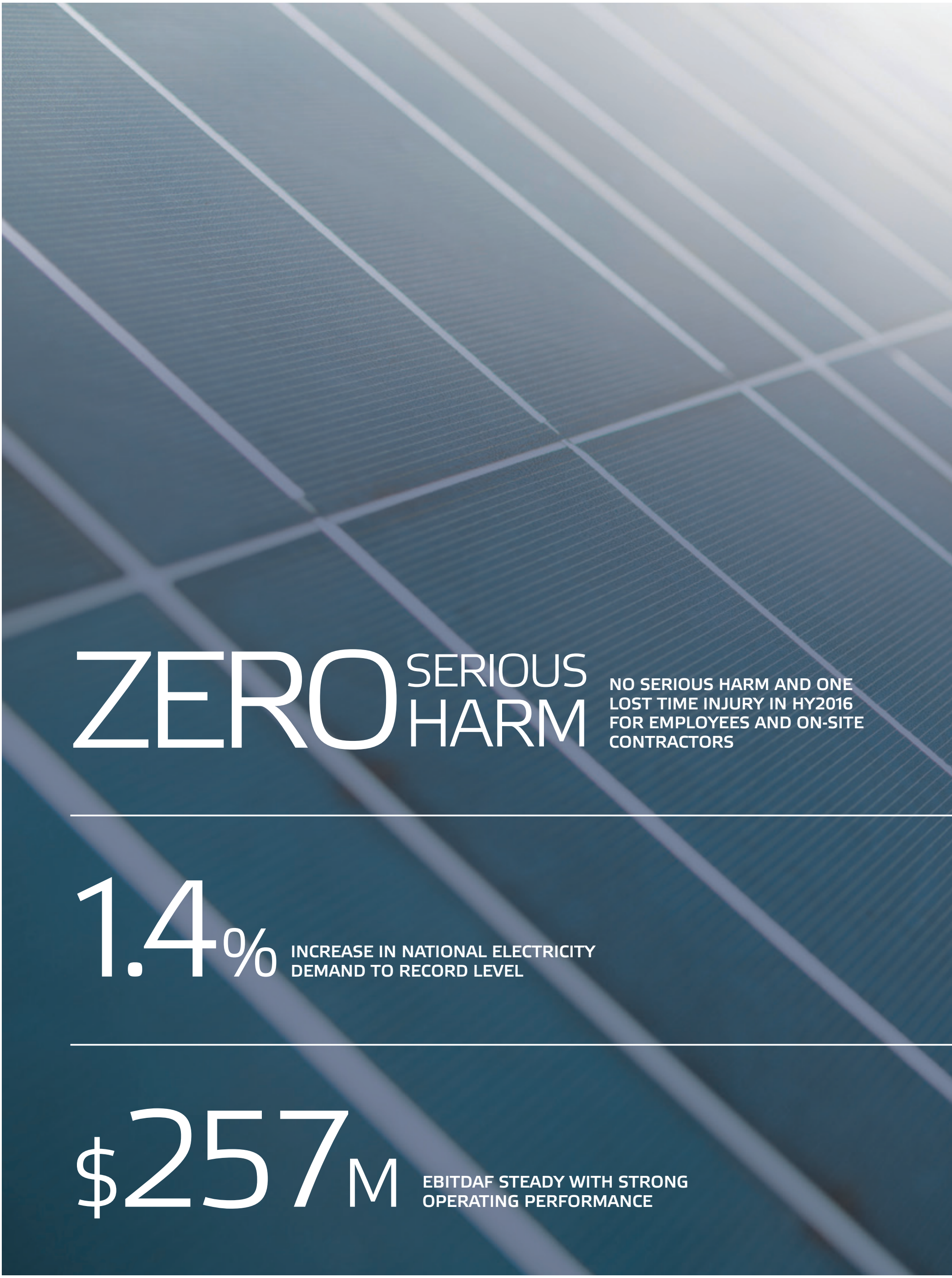
To New Zealand's wonderful 80% renewable electricity, near the top of global rankings.

We have the foundations to make a real difference to our children's futures, using this clean energy to power our homes and economy, to increasingly replace fossil fuels in transport and to back this country's '100% Pure' reputation.

Our energy is a vital ingredient in Kiwi exports' success around the world, like our customer, Emerald Foods, and their iconic *New Zealand Natural* ice cream made in Auckland. In every tub of goodness they send to the world, there's a little bit of New Zealand's renewable energy.

With you every day.


New Zealand Natural
CLASSIC VANILLA



ZERO SERIOUS HARM

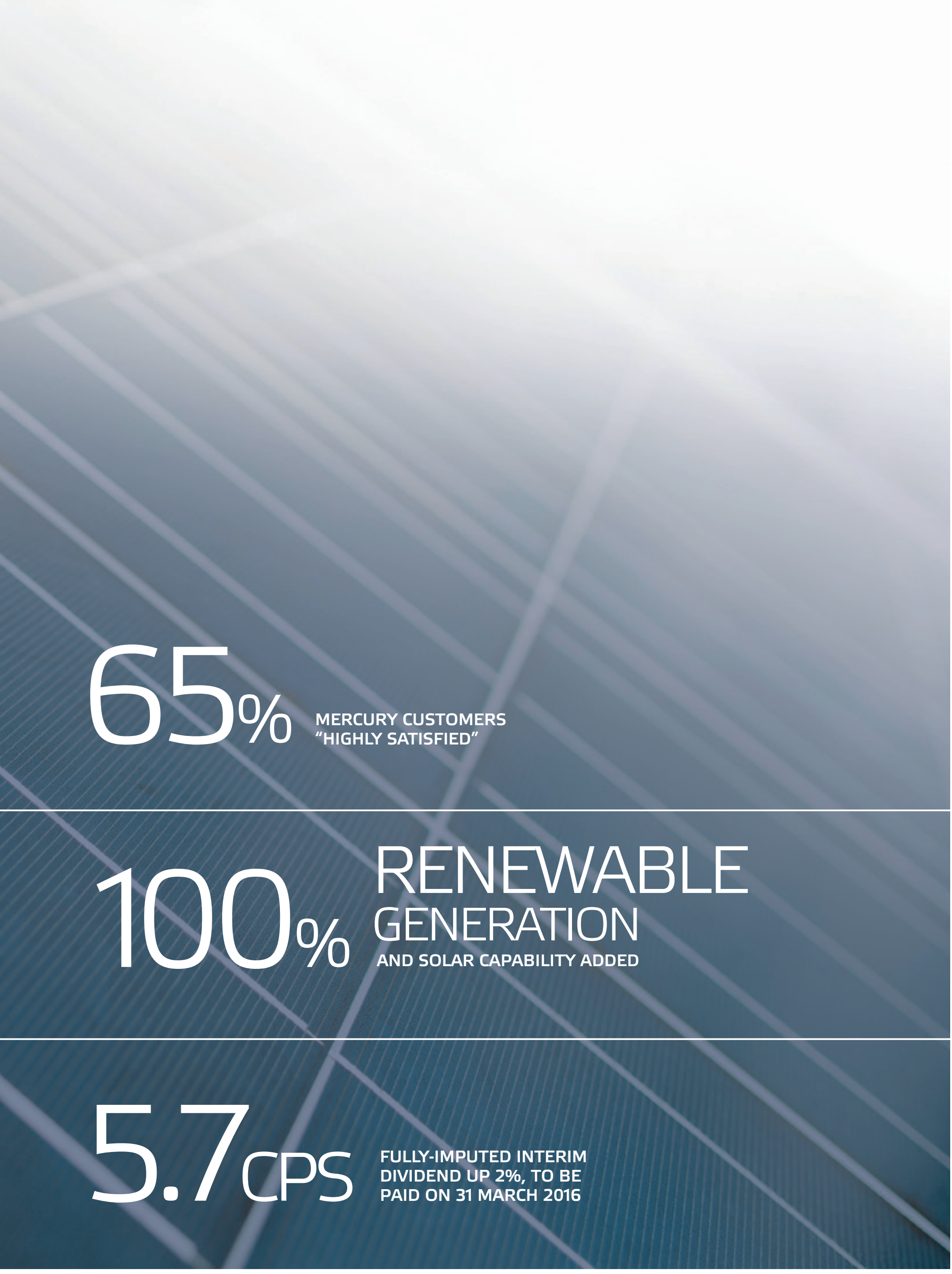
NO SERIOUS HARM AND ONE LOST TIME INJURY IN HY2016 FOR EMPLOYEES AND ON-SITE CONTRACTORS

1.4%

INCREASE IN NATIONAL ELECTRICITY DEMAND TO RECORD LEVEL

$257M

EBITDAF STEADY WITH STRONG OPERATING PERFORMANCE



65% MERCURY CUSTOMERS “HIGHLY SATISFIED”

100% RENEWABLE GENERATION AND SOLAR CAPABILITY ADDED

5.7CPS FULLY-IMPUTED INTERIM DIVIDEND UP 2%, TO BE PAID ON 31 MARCH 2016

In the first half of the 2016 financial year we have seen a continuation of three very positive underlying trends in customer satisfaction, safety performance and national demand growth.

JOAN WITHERS – CHAIR
FRASER WHINERAY – CHIEF EXECUTIVE

Electricity demand increased more than 1% to a record level for the period, and the broader industry dynamic is also positive.

We are encouraged to see more and more customers engaging with their energy services and inspiring us to challenge what is possible for their future.

It is also extremely satisfying, in a competitive sector such as ours, to be reporting a high level of safety collaboration with a clear focus of ensuring everyone returns home safely to their friends and family every day. We will continue to build on these shared initiatives through forums such as StayLive.

Safety performance has improved in our business with a reduction to one lost-time injury during the period, and we have achieved a 50% reduction in injuries involving off-site contractors. Our goal remains zero-harm.

Robust earnings

Operating earnings (EBITDAF) was steady for the six months ended 31 December 2015, supported by a strong operating performance and successful customer loyalty initiatives.

EBITDAF of $257 million was down $1 million on the prior period, with increases in hydro production (up 26%) and geothermal (up 5%) offset by lower generation yields, reflecting subdued wholesale electricity prices, and competitive pressure on energy pricing to residential and business customers. The 100% availability of the Nga Awa Purua station in the second quarter, following its turbine replacement, and record total geothermal production is a real credit to our team and key suppliers.

Net profit after tax (NPAT) of $74 million compares with $8 million in the prior period, with the difference due to lower non-cash impairments. The Company recognised an additional impairment of $18 million, which includes the permanent sealing of exploratory geothermal wells in Chile, along with a partial impairment reversal of $1 million from the closure of the Southdown gas-fired power station.

The Board has declared a fully-imputed interim dividend of 5.7 cents per share, up 2%, to be paid to Mighty River Power's 95,000 owners on 31 March.

Winning with customers

The competitive market was reflected in operating costs (up $7 million), as the Company invested more intensively during the first half of the financial year in brand promotions and loyalty initiatives. These included growth in the pre-pay segment with GLOBUG and the introduction of free Good Energy Days, to reward loyalty, that had a positive impact on customer satisfaction.

The proportion of customers saying they are "highly satisfied" in our regular surveys has climbed above 65%, and we are targeting further improvements in this essential measure as we grow our social media community and digital relationships with customers.

As part of our focus on delivering outstanding products and services to our customers, two new

5.7¢/share

FULLY-IMPUTED INTERIM DIVIDEND UP 2% TO BE PAID TO OUR 95,000 OWNERS ON 31 MARCH.

roles have been established on the Company's lead team with recruitment underway for a Chief Marketing Officer and GM Digital Services. These complementary roles are integral to us evolving as a truly customer-centric organisation, with a broader innovation and digital capability at our core.

Operational fitness and innovation

Our strategy centres on keeping a sharp focus on running the business well, our investment priorities and on evolving our Company for the future – through operational fitness, service innovation and in shaping new customer offerings.

Along with our focus on customers, we are pleased to be reporting progress on key strategic initiatives. These included the final stages of the exit from international geothermal development, the planned closure of Southdown and the addition of solar capability.

The purchase of the well-established solar business, What Power Crisis, will add proven expertise in the growing niche of solar power. This business has a track-record in the Pacific, delivering both on and off grid solutions with storage, including the Fred Hollows Foundation Eye Hospital in the Solomon Islands, along with showcase commercial projects in New Zealand for the Auckland Museum and Air New Zealand.

We have also been strongly advocating the electrification of transport as an opportunity of substance and scale that would leverage New Zealand's renewable electricity more broadly in the country's energy mix and help deliver on our climate change commitments.

Mighty River Power has led the way with our growing fleet of plug-in electric vehicles and the total number of EVs on New Zealand roads recently accelerated past 1,000. Along with the four-fold expansion of solar installations since 2014, this shows how people are changing their approach to energy. New Zealand's renewable energy foundations were recently acknowledged in the weight of submissions last year for the country's Climate Change target, strongly highlighting the importance of action on the electrification of transport.

Healthy market dynamics

Through the first half of the financial year there has been a fundamental improvement in the outlook for the sector, underpinned by both demand growth and the reductions in contracted thermal fuel and thermal capacity.

This has flowed through to a lift in ASX electricity futures prices and a recovery of commercial contract pricing to more attractive and sustainable levels. This supports our approach to focus on maximising value, not renewing contracts over the past two years in a low-yield environment.

The two remaining closely-linked factors in the medium-term are the decisions around the Tiwai aluminium smelter and Genesis Energy's Huntly generation. Any decision to close the smelter would place further pressure on thermal plant, and we believe largely confine fossil fuel generation to covering serious South Island droughts, rather than being used year-round in a market led by renewable electricity. Peak winter capacity also

We are also encouraged to see more and more customers engaging with their energy services and inspiring us to challenge what is possible for their future.

needs consideration, for which there are a number of solutions.

Another significant consideration over the past four years, Transmission Pricing Methodology, has seen more pragmatic options proposed by the Electricity Authority. We certainly see the greatest consumer value and fairest application in an approach that applies to future transmission investments only rather than reallocating historical costs.

Over the coming year we expect a growing and acute focus on fresh water quality and allocation. We have a vital interest around the operation of our rain-fed Waikato River hydro stations that play a unique role in the New Zealand electricity market.

The operation of the Waikato Hydro Scheme is also crucial to the stability of the catchment. The eight dams are considered part of the existing environment, and are directly related to many tens of billions of dollars' worth of housing, infrastructure and economic output from other industries, along with the intrinsic values in sport and recreation that they support.

We are maintaining a strong involvement in national and regional forums such as the Land and Water Forum and Healthy Rivers (Wai Ora) project with a long-term view to ensure the health and well-being of the Waikato River, New Zealand's most important and diverse water catchment.

Dividend and guidance

With both favourable and adverse hydrology having some influence on operating earnings, the Company is committed to updating guidance during the year as part of business-as-usual.

Inflows to the Waikato catchment were below average through HY2016, with the drier conditions leading to a reduction in forecast full-year hydro production of 150 GWh, worth almost $11 million, to 4,000 GWh. Full year EBITDAF is now expected to be in the range of $480 million to $500 million, assuming average inflows through to 30 June 2016. The FY2016 ordinary dividend guidance is unchanged at 14.3 cents per share.

Finally, thank you to our owners for your support.

During the half-year we hosted nearly 2,000 of our owners, their families and people from the local community at our Ngatamariki geothermal site open day. And following the Annual Shareholders' Meeting in November we were pleased to be able to meet up with owners around the regions with a series of six business briefings from Tauranga to Dunedin.

It is great to see your passion for our business that is matched every day by the energy of our people.

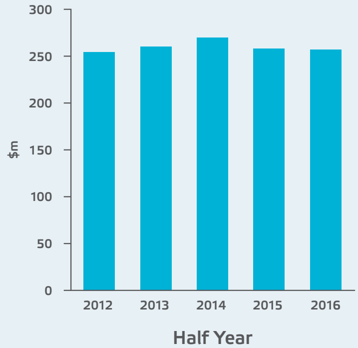
Joan Withers Chair

Fraser Whineray Chief Executive

Financial highlights.

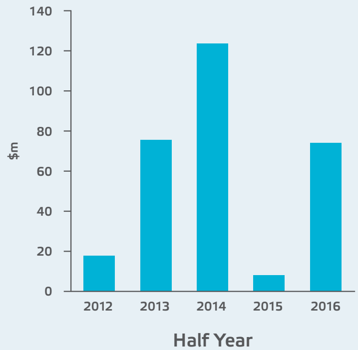
Mighty River Power's financial results reflect strong operating performance and a focus on customer loyalty initiatives.

EBITDAF*



EBITDAF fell $1 million to $257 million, reflecting increased hydro generation offset by lower prices received for all generation and customer sales. Front loading of operating costs was also partly offset by increased third party AMI metering revenue and property sales.

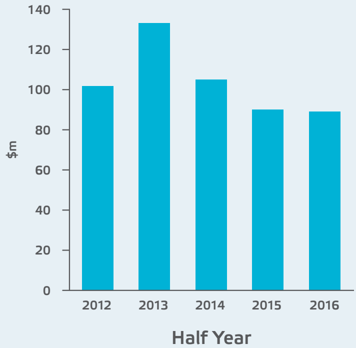
NET PROFIT



Overall, profit increased $66 million against the prior period, principally reflecting a reduction in non-cash impairments of $66 million from $83 million to $17 million as a result of the decision in the prior period to exit international geothermal development interests in Chile and Germany.

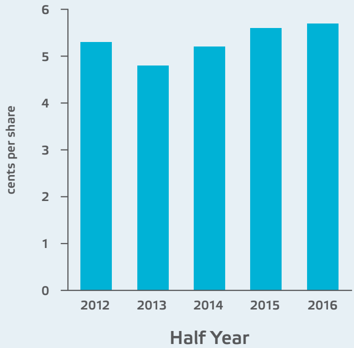
* A description and reconciliation of these Non-GAAP measures can be found on page 10.

UNDERLYING EARNINGS*



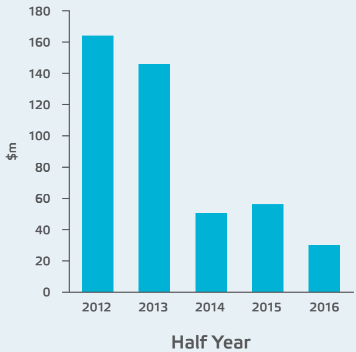
Mighty River Power's underlying earnings were $89 million, $1 million lower than the prior period and in line with the movement in EBITDAF.

INTERIM DECLARED DIVIDEND



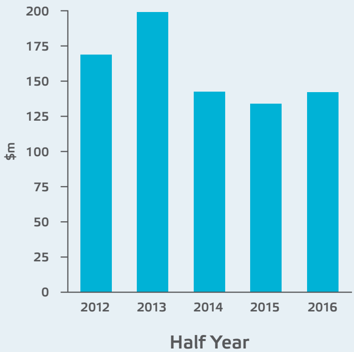
Consistent with the dividend policy, the Board has declared a fully imputed interim dividend of 5.7 cents per share to be paid on 31 March 2016. Full year ordinary dividend guidance of 14.3 cents per share remains unchanged, representing a 2% increase on FY2015 levels.

CAPITAL EXPENDITURE



Total capital expenditure decreased from $56 million to $30 million. Stay-in-business capital expenditure was lower-than-average at $18 million, reflecting the drilling of two new wells during the prior period. Growth capital expenditure mainly related to expenditure by Metrix for the roll-out of smart meters and related services.

FREE CASH FLOW*



Free cash flow increased from the prior year to $142 million reflecting a lower level of stay-in-business expenditure.

Non-GAAP Financial Information

The Company believes that the following Non-GAAP financial information is useful to investors for the reasons set out below. Mighty River Power has reported these measures of financial performance to date and intends to do so in the future, allowing investors to compare periods. The basis of these calculations can either be found below or as part of the Financial Statements.

EBITDAF is reported in the income statement of the Financial Statements (page 14) and is a measure that allows comparison across the electricity industry. EBITDAF is defined as earnings before net interest expense, income tax, depreciation, amortisation, change in fair value of financial instruments, impairments and equity accounted earnings.

ENERGY MARGIN is defined as sales less lines charges, energy costs and other direct cost of sales, including metering. Energy Margin provides a measure that, unlike sales or total revenue, accounts for the variability of the wholesale spot market and the broadly offsetting impact of wholesale prices on the cost of retail electricity purchases and can be derived from the Financial Statements as follows:

Six months ended 31 December

$m	2015	2014
Sales	792	856
Less: lines charges	(217)	(223)
Less: energy costs	(201)	(266)
Less: other direct cost of sales, excluding third party metering	(18)	(14)
Less: third party metering	(12)	(12)
Energy Margin	344	341

UNDERLYING EARNINGS reported in Note 3 of the Financial Statements, is net profit for the half year adjusted for one-off and/or infrequently occurring events exceeding $10 million of net profit before tax, impairments and any changes in the fair value of derivative financial instruments. In contrast to net profit, the exclusion of certain items enables a comparison of the underlying performance across time periods.

NET DEBT is defined as current and non-current loans less cash and cash equivalents and loan fair value adjustments and is a metric commonly used by investors and can be derived from the Financial Statements as follows:

As at 31 December

$m	2015	2014
Current loans at carrying value	132	10
Add: Non-current loans at carrying value	1,046	1,127
Add: Fair value adjustments US Private Placement	(64)	(24)
Less: cash and cash equivalents	(41)	(33)
Net debt	1,073	1,080

FREE CASH FLOW is net cash provided by operating activities less reinvestment capital expenditure (including accrued costs). Free cash flow is a measure that the Company uses to evaluate the levels of cash available for debt repayments, growth capital expenditure and dividends.

Six months ended 31 December

$m	2015	2014
Net cash provided by operating activity	160	176
Less: Reinvestment capital expenditure (including accrued costs)	(18)	(42)
Free cash flow	142	134

REVIEW REPORT TO THE SHAREHOLDERS OF MIGHTY RIVER POWER LIMITED

We have reviewed the consolidated interim financial statements of Mighty River Power Limited ("the Company") and its subsidiaries ("the Group") on pages 14 to 29, which comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the six months ended on that date, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Company's shareholders, as a body. Our review has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our engagement, for this report, or for our findings.

Directors' Responsibilities

The directors are responsible for the preparation and fair presentation of consolidated interim financial statements with New Zealand Equivalent to International Accounting Standard NZ IAS 34 Interim Financial Reporting and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The directors are also responsible for the publication of the consolidated interim financial statements, whether in printed or electronic form.

Reviewer's Responsibilities

The Auditor-General is the auditor of the Group pursuant to section 5(1)(f) of the Public Audit Act 2001. Pursuant to section 32 of the Public Audit Act 2001, the Auditor-General has appointed Simon O'Connor of Ernst & Young to carry out the annual audit of the Group.

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity*. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard NZ IAS 34 *Interim Financial Reporting*. As the auditor of Mighty River Power Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Basis of Conclusion

A review of the consolidated interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on the consolidated interim financial statements.

We did not evaluate the security and controls over the electronic presentation of the consolidated interim financial statements.

In addition to this review and the audit of the annual financial statements of the Group, we are engaged to perform other engagements in the area of remuneration benchmarking and tax compliance which are compatible with the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. In addition, partners and staff of Ernst & Young may deal with the Group on arm's length terms within the ordinary course of trading activities of the Group. These services have not impaired our independence as auditor of the Company or Group. Other than these engagements and arm's length transactions, and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with, or interests in, the Company or Group.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the consolidated interim financial statements, set out on pages 14 to 29, do not present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and of its financial performance and cash flows for the six months ended on that date in accordance with New Zealand Equivalent to International Accounting Standard *NZ IAS 34: Interim Financial Reporting*.

Our review was completed on 23 February 2016 and our findings are expressed as at that date.

Simon O'Connor **Ernst & Young**

On behalf of the Auditor-General
Auckland, New Zealand

Consolidated Interim Financial Statements

For the six months ended
31 December 2015

Consolidated Income Statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Note	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Total revenue	4	**813**	874	1,678
Total expenses	4	**(556)**	(616)	(1,196)
EBITDAF[1]		**257**	258	482
Depreciation and amortisation		**(90)**	(85)	(170)
Change in the fair value of financial instruments		**3**	1	8
Impairments	4	**(17)**	(83)	(130)
Earnings of associates and joint ventures		**2**	1	3
Net interest expense	4	**(49)**	(48)	(99)
Profit before tax		**106**	44	94
Tax expense		**(32)**	(36)	(47)
Profit for the period		**74**	8	47
Profit for the period attributable to owners of the parent		**74**	8	47
Basic and diluted earnings per share (cents)		**5.38**	0.58	3.42

1 EBITDAF: Earnings before net interest expense, income tax, depreciation, amortisation, change in fair value of financial instruments, impairments and equity accounted earnings.

Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Profit for the period	**74**	8	47
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value revaluation of generation assets	**–**	–	497
Share of movements in associates' and joint ventures' reserves	**(3)**	(3)	(1)
Tax effect	**–**	–	(141)
Items that may be reclassified subsequently to profit or loss			
Movement in cash flow hedges reserve	**(31)**	(51)	(40)
Movement in other reserves	**–**	6	5
Tax effect	**9**	14	11
Other comprehensive income/(loss) for the period, net of taxation	**(25)**	(34)	331
Total comprehensive income/(loss) for the period attributable to owners of the parent	**49**	(26)	378

The accompanying notes form an integral part of these financial statements.

Consolidated Balance Sheet

AS AT 31 DECEMBER 2015

	Note	Unaudited 31 Dec 2015 $M	Unaudited 31 Dec 2014 $M	Audited 30 June 2015 $M
SHAREHOLDERS' EQUITY				
Issued capital		**378**	378	378
Treasury shares		**(52)**	(52)	(52)
Reserves		**2,910**	2,684	3,011
Total shareholders' equity		**3,236**	3,010	3,337
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		**41**	33	32
Receivables		**187**	191	189
Inventories		**39**	27	30
Derivative financial instruments	6	**18**	19	35
Total current assets		**285**	270	286
NON-CURRENT ASSETS				
Property, plant and equipment	7	**5,355**	5,021	5,418
Intangible assets		**63**	66	68
Investment and advances to associates	8	**69**	73	74
Investment in joint ventures	8	**15**	12	14
Advances		**12**	13	12
Receivables		**1**	4	1
Derivative financial instruments	6	**147**	104	157
Total non-current assets		**5,662**	5,293	5,744
Held-for-sale assets		**6**	–	28
TOTAL ASSETS		**5,953**	5,563	6,058
LIABILITIES				
CURRENT LIABILITIES				
Payables and accruals		**151**	172	159
Provisions		**16**	–	–
Borrowings	9	**132**	10	10
Derivative financial instruments	6	**22**	17	14
Taxation payable		**16**	13	15
Total current liabilities		**337**	212	198
NON-CURRENT LIABILITIES				
Payables and accruals		**–**	7	2
Provisions		**21**	16	14
Derivative financial instruments	6	**243**	228	243
Borrowings	9	**1,046**	1,127	1,167
Deferred tax		**1,070**	963	1,092
Total non-current liabilities		**2,380**	2,341	2,518
Held-for-sale liabilities		**–**	–	5
TOTAL LIABILITIES		**2,717**	2,553	2,721
NET ASSETS		**3,236**	3,010	3,337

For and on behalf of the Board of Directors who authorised the issue of the Financial Statements on 23 February 2016.

Joan Withers
Chair
23 February 2016

Keith Smith
Director
23 February 2016

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes In Equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Issued capital $M	Retained earnings $M	Asset revaluation reserve $M	Cash flow hedge reserve $M	Other reserves $M	Total equity $M
Balance as at 1 July 2014	378	534	2,383	(7)	(69)	3,219
Movement in cash flow hedge reserve, net of taxation	–	–	–	(37)	–	(37)
Movements in other reserves	–	–	–	–	7	7
Share of movements in associates' and joint ventures' reserves	–	–	–	(3)	–	(3)
Release of asset revaluation reserve	–	–	(1)	–	–	(1)
Other comprehensive income	–	–	(1)	(40)	7	(34)
Net profit for the period	–	8	–	–	–	8
Total comprehensive loss for the period	–	8	(1)	(40)	7	(26)
Dividend	–	(183)	–	–	–	(183)
Balance as at 31 December 2014	378	359	2,382	(47)	(62)	3,010
Balance as at 1 January 2015	378	359	2,382	(47)	(62)	3,010
Fair value revaluation of generation assets, net of taxation	–	–	356	–	–	356
Movement in cash flow hedge reserve, net of taxation	–	–	–	8	–	8
Movements in other reserves	–	–	–	–	(1)	(1)
Share of movements in associates' and joint ventures' reserves	–	–	–	2	–	2
Other comprehensive income	–	–	356	10	(1)	365
Net profit for the period	–	39	–	–	–	39
Total comprehensive income for the period	–	39	356	10	(1)	404
Dividend	–	(77)	–	–	–	(77)
Balance as at 30 June 2015	378	321	2,738	(37)	(63)	3,337
Balance as at 1 July 2015	**378**	**321**	**2,738**	**(37)**	**(63)**	**3,337**
Movement in cash flow hedge reserve, net of taxation	**–**	**–**	**–**	**(22)**	**–**	**(22)**
Share of movements in associates' and joint ventures' reserves	**–**	**–**	**–**	**(3)**	**–**	**(3)**
Other comprehensive income	**–**	**–**	**–**	**(25)**	**–**	**(25)**
Net profit for the period	**–**	**74**	**–**	**–**	**–**	**74**
Total comprehensive income for the period	**–**	**74**	**–**	**(25)**	**–**	**49**
Dividend	**–**	**(150)**	**–**	**–**	**–**	**(150)**
Balance as at 31 December 2015	**378**	**245**	**2,738**	**(62)**	**(63)**	**3,236**

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	**802**	878	1,652
Payments to suppliers and employees	**(552)**	(600)	(1,168)
Interest received	**1**	3	5
Interest paid	**(48)**	(51)	(101)
Taxes paid	**(43)**	(54)	(79)
Net cash provided by operating activities	**160**	176	309
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	**(29)**	(54)	(105)
Disposal of property, plant and equipment, including land	**26**	4	9
Acquisition of intangibles	**(2)**	(1)	(13)
Advances to joint venture partner repaid	**1**	1	1
Distributions received from associates and joint ventures	**3**	3	5
Net cash used in investing activities	**(1)**	(47)	(103)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	**–**	300	300
Repayment of loans	**–**	(235)	(235)
Dividends paid	**(150)**	(183)	(260)
Net cash used in financing activities	**(150)**	(118)	(195)
Net increase in cash and cash equivalents held	**9**	11	11
Net foreign exchange movements	**–**	3	2
Cash and cash equivalents at the beginning of the period	**32**	19	19
Cash and cash equivalents at the end of the period	**41**	33	32
Cash balance comprises:			
Cash balance at the end of the period	**41**	33	32

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

NOTE 1. ACCOUNTING POLICIES

1) Reporting entity

Mighty River Power Limited (the "Company") is incorporated in New Zealand, registered under the Companies Act 1993, an FMC reporting entity under the Financial Markets Conduct Act 2013, and is listed on the NZSX and ASX.

The consolidated interim financial statements (the "Group financial statements") are for Mighty River Power Limited Group ("Group"). The Group financial statements comprise the Company and its subsidiaries, including its investments in associates and interests in joint arrangements.

The liabilities of the Group are not guaranteed in any way by the Crown or by any other shareholder.

2) Basis of preparation

The Group financial statements have been prepared in accordance with the Financial Reporting Act 2013, the Companies Act 1993 and in accordance with New Zealand equivalent to International Accounting Standard 34 – Interim Financial Reporting ("NZ IAS 34"). In complying with NZ IAS 34, these statements comply with International Accounting Standard 34 – Interim Financial Reporting.

These Group financial statements, including the accounting policies adopted, do not include all the information and disclosures required in the annual financial statements. Consequently, these Group financial statements should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2015.

The energy business operates in an environment that is dependent on weather as one of the key drivers of supply and demand. Fluctuations in seasonal weather patterns, particularly over the short-term, can have a positive or negative effect on financial performance. It is not possible to consistently predict this seasonality and some variability is common.

The preparation of financial statements requires judgements, and estimates that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Future actual results may differ from these estimates.

NOTE 2. SEGMENT REPORTING

Identification of reportable segments

The operating segments are identified by management based on the nature of the products and services provided. Discrete financial information about each of these operating segments is reported to the Chief Executive, being the chief operating decision-maker, on a regular basis, who assesses the performance of the operating segments on a measure of EBITDAF. Segment EBITDAF represents profit earned by each segment exclusive of any allocation of central administration costs, share of earnings of associates, change in fair value of financial instruments, depreciation, amortisation, impairments, finance costs and tax expense. Operating segments are aggregated into reportable segments only if they share similar economic characteristics.

Types of products and services

Energy Markets

The energy markets segment encompasses activity associated with the generation, sale and trading of energy and related services and products, and generation development activities.

Other Segments

Other operating segments that are not considered to be reporting segments are grouped together as "Other Segments". Activities include metering and international geothermal operations.

Unallocated

Represents corporate support services and related elimination adjustments.

Inter-segment

Transactions between segments are carried out on normal commercial terms and represent charges by other segments to energy markets.

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Segment results

Six months ended 31 December 2015 (unaudited)	Energy Markets $M	Other Segments $M	Unallocated $M	Inter–segment $M	Total $M
Total segment revenue	**802**	**25**	**1**	**(15)**	**813**
Direct costs	**(461)**	**(1)**	**(1)**	**15**	**(448)**
Other operating expenses	**(75)**	**(13)**	**(20)**	**–**	**(108)**
Segment EBITDAF	**266**	**11**	**(20)**	**–**	**257**

Six months ended 31 December 2014 (unaudited)	Energy Markets $M	Other Segments $M	Unallocated $M	Inter–segment $M	Total $M
Total segment revenue	869	23	(3)	(15)	874
Direct costs	(530)	–	–	15	(515)
Other operating expenses	(67)	(13)	(21)	–	(101)
Segment EBITDAF	272	10	(24)	–	258

Twelve months to 30 June 2015 (audited)	Energy Markets $M	Other Segments $M	Unallocated $M	Inter–segment $M	Total $M
Total segment revenue	1,666	45	(3)	(30)	1,678
Direct costs	(1,005)	(4)	–	30	(979)
Other operating expenses	(150)	(23)	(44)	–	(217)
Segment EBITDAF	511	18	(47)	–	482

NOTE 3. NON STATUTORY MEASURE - UNDERLYING EARNINGS

	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Profit for the period	**74**	8	47
Change in the fair value of financial instruments	**(3)**	(1)	(8)
Income attributable to land and associated real property sold or held-for-sale	**–**	–	(17)
Impairments	**17**	83	130
Adjustments before tax expense	**14**	82	105
Tax expense	**1**	–	(7)
Adjustments after tax expense	**15**	82	98
Underlying earnings after tax	**89**	90	145

Tax has been applied on all taxable adjustments at 28%.

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

NOTE 4. OTHER INCOME STATEMENT DISCLOSURES

	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Sales	**792**	856	1,627
Other revenue	**21**	18	51
Total revenue	**813**	874	1,678
Energy costs	**(201)**	(266)	(507)
Line charges	**(217)**	(223)	(422)
Other direct cost of sales, excluding third party metering	**(18)**	(14)	(26)
Third party metering	**(12)**	(12)	(24)
Employee compensation and benefits	**(42)**	(40)	(82)
Maintenance expenses	**(23)**	(24)	(54)
Other expenses	**(43)**	(37)	(81)
Total expenses	**(556)**	(616)	(1,196)
Interest expense	**(50)**	(51)	(104)
Interest income	**1**	3	5
Net interest expense	**(49)**	(48)	(99)

Impairments

During the previous financial year the Group announced its intention to exit its geothermal development interests in Chile (further details can be found in note 4 of the Group's annual financial statements for the year ended 30 June 2015). Due to an unsuccessful sales process, the Group has decided to carry out a remediation programme in Chile over the next 18 months. Accordingly, an additional impairment charge of $18 million has been recognised in the current period.

Following the planned closure of the gas-fired Southdown power station on 31 December 2015 and based on an offer received for part of the station's assets, an impairment reversal of $1 million has been recognised.

NOTE 5. SHARE CAPITAL AND DISTRIBUTION

The share capital of the Company is represented by 1,400,012,517 ordinary shares (30 June 2015: 1,400,012,517) issued and fully paid. These shares do not have a par value, have equal voting rights and share equally in dividends and any surplus on winding up.

	Unaudited 31 Dec 2015 Number of shares (M)	Unaudited 31 Dec 2015 $M	Unaudited 31 Dec 2014 Number of shares (M)	Unaudited 31 Dec 2014 $M	Audited 30 June 2015 Number of shares (M)	Audited 30 June 2015 $M
Treasury shares						
Balance at the beginning of the period	**24**	**52**	24	52	24	52
Disposal of treasury shares	–	–	–	–	–	–
Balance at the end of the period	**24**	**52**	24	52	24	52

Dividends declared and paid	Cents per share	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Final dividend for 2014	8.3	–	114	114
Special dividend – paid December 2014	5.0	–	69	69
Interim dividend for 2015	5.6	–	–	77
Final dividend for 2015	8.4	116	–	–
Special dividend – paid September 2015	2.5	34	–	–
		150	183	260

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

NOTE 6. FINANCIAL INSTRUMENTS

The Group's overall risk management programme focuses on protecting shareholder wealth by proactively managing the risks inherent in the energy and financial markets. Exposure to electricity price, credit, foreign exchange, capital liquidity and interest rate risks arise in the normal course of the Group's business. The Group's principal financial instruments comprise cash and cash equivalents, trade receivables and accruals (not prepayments), advances, payables and accruals, borrowings and derivatives financial instruments. Further information on the identified risks can be found within note 14 of the Group's annual financial statements for the year ended 30 June 2015.

Fair Values

The carrying amount of financial assets and liabilities recorded in the financial statements approximates their fair values except for: (i) the Fixed Rate Bonds, the Floating Rate Bonds and the US Private Placement, the fair values for which have been calculated at $214 million (30 June 2015: $215 million), $339 million (30 June 2015: $339 million) and $307 million (30 June 2015: $312 million) respectively; and (ii) the Capital Bonds, issued in the prior year, the fair value for which has been calculated at $324 million (30 June 2015: $324 million). Fair values are based on quoted market prices and inputs for each bond issue. Refer to note 9 which outlines the values of each of these instruments.

Valuation techniques

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 - the fair value is calculated using quoted prices in active markets;
- Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 - the fair value is estimated using inputs that are not based on observable market data.

As at 31 December 2015 all of the Group's financial instruments carried at fair value were categorised as level 2, except for electricity price derivatives. Electricity price derivatives assets of $7 million were categorised as level 1 (30 June 2015: $15 million) and $69 million were categorised as level 3 (30 June 2015: $84 million). Further information on the identified risks can be found within note 14 of the Group's annual financial statements for the year ended 30 June 2015. Electricity price derivative liabilities of $5 million were categorised as level 1 (30 June 2015: $4 million) and $93 million were categorised as level 3 (30 June 2015: $84 million).

Financial instruments that use a valuation technique with only observable market inputs, or unobservable inputs that are not significant to the overall valuation, include interest rate derivatives and foreign exchange rate derivatives not traded on a recognised exchange.

Financial instruments that use a valuation technique which includes non-market observable data include non-exchange traded electricity contracts which are valued using a discounted cash flow methodology using a combination of ASX market prices for the first four years, combined with management's internal view of forward prices for the remainder of the contract's term. Management's internal view of forward prices incorporates a minimum price of $72/MWh and a maximum price of $98/MWh (30 June 2015: a minimum price of $63/MWh and a maximum price of $97/MWh) over the period in question (in real terms) and is determined by a demand supply based fundamental model which takes account of hydrological conditions, potential future inflows, an assessment of competitor thermal fuel costs, anticipated demand and supply conditions and future committed generation capacity.

Where the fair value of a derivative is calculated as the present value of the estimated future cash flows of the instrument there are two key inputs being used; the forward price curve and the discount rate. Where the derivative is an option, then the volatility of the forward price is another key variable. The selection of the inputs requires significant judgement, and therefore there is a range of reasonably possible assumptions in respect of these inputs that could be used in estimating the fair values of these derivatives. Maximum use is made of observable market data when selecting inputs and developing assumptions for the valuation technique.

Reconciliation of Level 3 fair value movements

	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Opening balance	–	53	53
New contracts	(1)	–	(1)
Matured contracts	(2)	(14)	(15)
Gains and losses			
Through the income statement	(3)	(1)	(4)
Through other comprehensive income	(19)	(37)	(33)
Closing balance	(25)	1	–

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Deferred 'inception' gains/(losses)

There is an assumption that when derivative contracts are entered into on an arm's length basis, fair value at inception would be zero. The contract price of non exchange traded electricity derivative contracts is agreed on a bilateral basis, the pricing for which may differ from the prevailing derived market price curve for a variety of reasons. In these circumstances an inception adjustment is made to bring the initial fair value of the contract to zero at inception. This inception value is amortised over the life of the contract by adjusting the future price path used to determine the fair value of the derivatives by a constant amount to return the initial fair value to zero.

The table below details the movements in inception value gains/(losses) included in the fair value of derivative financial assets and liabilities:

	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Opening deferred inception gains	**15**	18	18
Deferred inception (losses)/gains on new hedges	**27**	(1)	–
Deferred inception (losses)/gains realised during the period	**(4)**	(3)	(3)
Closing inception gains	**38**	14	15

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Opening net book value	**5,418**	5,095	5,095
Additions	**39**	67	97
Disposals	**(1)**	(4)	(4)
Transfer to held-for-sale	**–**	–	(14)
Revaluation	**–**	–	497
Impairments	**(17)**	(62)	(102)
Exchange movements	**–**	3	5
Depreciation charge for the period	**(84)**	(78)	(156)
Closing net book value	**5,355**	5,021	5,418

NOTE 8. INVESTMENT AND ADVANCES TO ASSOCIATES AND JOINT ARRANGEMENTS (JOINT VENTURES AND JOINT OPERATIONS)

Investments include:

			Interest Held			
Name of entity	Principal activity	Type	Unaudited 31 Dec 2015	Unaudited 31 Dec 2014	Audited 30 June 2015	Country
TPC Holdings Limited	Investment holding	Associate	**25.00%**	25.00%	25.00%	New Zealand
Rotokawa	Steamfield operation	Joint Operation	**64.80%**	64.80%	64.80%	New Zealand
Nga Awa Purua	Electricity generation	Joint Operation	**65.00%**	65.00%	65.00%	New Zealand
Energy Source LLC	Investment holding	Joint Venture	**20.86%**	20.86%	20.86%	United States
Hudson Ranch I Holdings LLC	Electricity generation	Joint Venture	**75.00%**	75.00%	75.00%	United States

	Associates:			Joint Ventures:		
	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Balance at the beginning of the period	**74**	78	78	**14**	23	23
Share of earnings	**1**	1	2	**1**	–	1
Share of movement in other comprehensive income	**(3)**	(3)	(1)	**–**	–	–
Distributions received during the period	**(3)**	(3)	(5)	**–**	–	–
Impaired investment in joint venture	**–**	–	–	**–**	(14)	(14)
Exchange movements	**–**	–	–	**–**	3	4
Balance at the end of the period	**69**	73	74	**15**	12	14

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

NOTE 9. BORROWINGS

	Borrowing Currency Denomination	Maturity	Coupon	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Bank facilities	NZD	Various	Floating	–	–	–
Wholesale bonds	NZD	Oct-2016	7.55%	71	71	71
Wholesale bonds	NZD	Oct-2016	Floating	51	51	51
Wholesale bonds	NZD	Mar-2019	5.03%	76	76	76
Wholesale bonds	NZD	Feb-2020	8.21%	31	31	31
USPP – US$125m	USD	Dec-2020	4.25%	164	164	164
Wholesale / Credit wrapper	NZD	Sep-2021	Floating	301	301	301
USPP – US$30m	USD	Dec-2022	4.35%	39	39	39
Wholesale bonds	NZD	Mar-2023	5.79%	25	25	25
USPP – US$45m	USD	Dec-2025	4.60%	58	58	58
Capital Bonds	NZD	Jul-2044	6.90%	305	305	305
Deferred financing costs				(7)	(8)	(7)
Fair value adjustments				64	24	63
Carrying value of loans				1,178	1,137	1,177
Current				132	10	10
Non-current				1,046	1,127	1,167
				1,178	1,137	1,177

The Company has $300 million of committed and unsecured bank loan facilities, of which $200 million expires in August 2018 and a rolling bank loan of $100 million currently expiring in June 2017.

NOTE 10. RELATED PARTY TRANSACTIONS

Ultimate shareholder

The majority shareholder of Mighty River Power Limited is the Crown, providing it with significant potential influence over the Group. All transactions with the Crown and other entities wholly or partly owned by the Crown are on normal commercial terms. Transactions cover a variety of services including trading energy, postal, travel and tax.

Transactions with related parties

Mighty River Power Limited has investments in subsidiaries, associates and joint arrangements, all of which are considered related parties.

As these are consolidated financial statements, transactions between related parties within the Group have been eliminated. Consequently, only those transactions between entities which have some owners external to the Group have been reported below:

	Transaction Value		
	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Associates			
Management fees and service agreements received	2	2	4
Energy contract settlements received	–	2	5
Joint operations			
Management fees and service agreements received	3	3	5
Energy contract settlements paid	(4)	(2)	(2)
Interest income	1	1	2

	Transaction Value		
	Unaudited 6 Months 31 Dec 2015 $000	Unaudited 6 Months 31 Dec 2014 $000	Audited 12 Months 30 June 2015 $000
Key management personnel compensation (paid and payable)			
Directors' fees	416	421	839
Benefits for the Chief Executive and Senior Management:			
Salary and other short-term benefits	2,859	3,274	5,043
Termination benefits	134	–	130
Share-based payments	164	243	468
	3,573	3,938	6,480

Further information on the terms and conditions of these related party transactions can be found in note 17 of the Group's annual financial statements for the year ended 30 June 2015.

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Other transactions with key management personnel

Key management personnel are those people with responsibility and authority for planning, directing and controlling the activities of the Group. Key management personnel for the Group are considered to be the Directors and Senior Management.

Directors and employees of the Group deal with Mighty River Power Limited as electricity consumers on normal terms and conditions, with staff discounts for employees, within the ordinary course of trading activities. A number of Directors and the Chief Executive also provide directorship services to other third party entities. A number of these entities transacted with the Group on normal commercial terms during the reporting period.

A number of key management personnel provide directorship services to direct subsidiaries and other third party entities as part of their employment without receiving any additional remuneration. A number of these entities transacted with the Group on normal commercial terms in the reporting period.

NOTE 11. COMMITMENTS AND CONTINGENCIES

	Unaudited 6 Months 31 Dec 2015 $M	Unaudited 6 Months 31 Dec 2014 $M	Audited 12 Months 30 June 2015 $M
Commitments			
Capital	**161**	132	132
Operating leases	**35**	38	34
Other operating commitments	**89**	90	91

Capital commitments include both commitments to purchase property, plant and equipment as well as intangible commitments. Intangible commitments includes commitments to purchase emissions units. In the event the New Zealand emissions trading scheme is terminated the forward purchase agreements for the acquisition of emissions units that cover a 12 year period will also terminate.

Operating leases are of a rental nature and are on normal commercial terms and conditions. The majority of the lease commitments are for building accommodation, the leases for which have remaining terms of between 1 and 13 years and include an allowance for either annual, biennial or triennial reviews. The remainder of the operating leases relate to vehicles, plant and equipment.

Contingencies

The Company holds land and has interests in fresh water and geothermal resources that are subject to claims that have been brought against the Crown. On 29 August 2014, the Supreme Court gave its decision in Paki v Attorney-General and dismissed the claimants' action seeking a declaration that the Crown holds those parts of the bed of the Waikato River which adjoin former Pouakani land on trust for the Pouakani people on the basis it was incorrectly advanced. The Supreme Court decision has left open the possibility of further litigation in respect of ownership of that land currently held by the Company.

The Company has received advice that it may proceed with a high degree of confidence that future decisions on the matter will not impair the Company's ability to operate its hydro assets. A separate claim by the New Zealand Maori Council relating to fresh water and geothermal resources was lodged in 2012 with the Waitangi Tribunal. The Tribunal concluded that Maori have residual (but as yet undefined) proprietary rights in fresh water and geothermal resources and it will be for the Crown to determine how any such rights and interests may best be addressed. The impact of this claim on the Company's operations is unknown at this time.

From time to time the Company will issue letters of credit and guarantees to various suppliers in the normal course of business. However, there is no expectation that any outflow of resource relating to these letters of credit or guarantees will be required as a consequence.

The Group has no other material contingent assets or liabilities.

NOTE 12. SUBSEQUENT EVENTS

The Board of Directors has approved an interim dividend of 5.7 cents per share to be paid on 31 March 2016.

There are no other material events subsequent to balance date that would affect the fair presentation of these Group financial statements.

Glossary

Dividend	The distribution of a proportion of a company's earnings, decided by the board of directors, to its shareholders. The dividend is most often quoted in terms of the dollar amount per share. May be paid as Interim Dividend and Final Dividend
Electric vehicles	Cars, and other transport, that are battery-powered (BEV) only or plug-in hybrid (PHEV) and recharged with electricity from an external source
GWh	Gigawatt hour. One gigawatt hour is equal to one million kilowatt hours
MWh	Megawatt hour. One megawatt hour is equal to 1,000 kilowatt hours. A megawatt hour is the metering standard unit for the wholesale market
Operating Costs	Total costs incurred in the business, less energy costs and other direct costs of sales including metering
Pre-pay	Customers pay for electricity as they use it, rather than receiving a monthly bill, making it much easier to manage their electricity spend, keep on top of payments and budget
Renewable electricity	Produced from harnessing the power of water, geothermal heat and wind, along with solar and other natural sources that can be managed sustainably
Smart meters	Advanced electricity meters that are a replacement for analogue meters, and send electronic meter readings to your energy retailer automatically
Spot market / wholesale market	The buying and selling of wholesale electricity is done via a ‘pool’, where electricity generators offer electricity to the market and retailers bid to buy the electricity. This market is called the spot or physical wholesale market

Shareholder information

Shareholder enquiries

Changes in address, dividend payment details and investment portfolios can be viewed and updated online. You will need your CSN and FIN numbers to access this service. Enquiries may be addressed to the Share Registrar (see Directory).

www.investorcentre.com/nz

Investor information

Our website is an excellent source of information about what's happening within the Company.

Our Investor Centre allows you to view all regular investor communications, information on our latest operating and financial results, dividend payments, news and share price history.

www.mightyriver.co.nz

Electronic shareholder communication

It is quick and easy to make the change to receiving your reports electronically. This can be done either:

- Online at **www.investorcentre.com/nz** by using your CSN and FIN numbers (when you log in for the first time). Select 'View Portfolio' and log in. Then select 'Update My Details' and select 'Communication Options'; or
- Contacting Computershare Investor Services Limited by email, fax or post.

Please think about the environment and help us save paper and costs

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Mike Allen
Prue Flacks
Andy Lark
James Miller
Keith Smith
Patrick Strange
Mike Taitoko

Executive Management Team
Fraser Whineray,
Chief Executive

Nick Clarke,
General Manager Geothermal

Phil Gibson,
General Manager Hydro & Wholesale

William Meek,
Chief Financial Officer

Tony Nagel,
General Manager Corporate Affairs

Matt Olde,
Metrix Chief Executive

Marlene Strawson,
General Manager People & Safety

Company Secretary
Tony Nagel

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Bankers
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ASB Bank
Bank of Tokyo-Mitsubishi UFJ
Bank of New Zealand
Westpac

Credit Rating (reaffirmed December 2015)
Long term: BBB+
Outlook: Stable

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NEWS RELEASE

23 February 2016

NZX: MRP **ASX:** MYT

Strong operating performance confirms interim dividend

Mighty River Power today announced steady operating earnings (EBITDAF) of $257 million for the six months ended 31 December 2015, supported by a strong operating performance and successful customer loyalty initiatives.

The Company has declared an interim dividend of a fully-imputed 5.7 cents per share, up 2%, to be paid to Mighty River Power's 95,000 owners on 31 March.

Chief Executive, Fraser Whineray, said pricing and competitive pressure remained intense during the period, in a market that is among the most competitive in the world[1]. National electricity demand has continued to lift (up 1.4% on the prior period) and the broader industry dynamic is positive with an improvement in ASX electricity futures prices.

Highlights in the first half included increasing Mercury customer satisfaction and increased output from geothermal generation. Safety performance also improved with a reduction to one lost-time injury during the period, although above the Company's goal of 'zero-harm'.

Other significant milestones included the closure of the Southdown gas-fired power station in Auckland from 31 December. "We have now gone beyond 100% renewable electricity with our recent move into solar," he said.

Mighty River Power – unaudited financial results for the six months ended 31 December 2015	**HY2016**	**HY2015**	**Change on HY2015**
EBITDAF ($m)	257	258	(1)
Net profit after tax ($m)	74	8	66
Underlying earnings after tax ($m)	89	90	(1)
Interim dividend (cents per share)	5.7	5.6	0.1

EBITDAF of $257 million was down $1 million on the prior period, with increases in hydro production (up 26%) and geothermal (up 5%) offset by lower generation yields, reflecting subdued wholesale electricity prices, and competitive pressure on energy pricing to residential and business customers.

Net profit after tax (NPAT) of $74 million compares with $8 million in the prior period, with the difference due to lower non-cash impairments. The Company recognised an additional impairment of $18 million, which includes the permanent sealing of exploratory geothermal wells in Chile, along with a partial impairment reversal of $1 million from the closure of Southdown.

The competitive market was also reflected in higher operating costs (up $7 million), as the Company invested more intensively during the first half of the financial year in brand promotions and loyalty initiatives.

These included growth in the pre-pay segment with GLOBUG and the introduction of free *Good Energy Days* that had a measured positive impact on customer satisfaction.

Mr Whineray said Mercury's social media community was the largest in the sector and the number of customers engaging with the Company's brands though digital channels continued to increase through the half year. At the same time, the proportion of customers rating as 'highly satisfied' has climbed above 65%, with the Company targeting further improvement in this measure.

Along with the Company's focus on customers, Mighty River Power Chair, Joan Withers, said the Board was pleased to be reporting progress on key strategic initiatives. These included the final stages of the exit from international geothermal development (announced in December 2014), the planned closure of Southdown (announced in March 2015) and the addition of solar capability.

"Our strategy centres on keeping a sharp focus on running the business well, our investment priorities and on evolving our Company for the future – through operational fitness, service innovation and in shaping new customer offerings."

Mr Whineray said the purchase of the well-established solar business, What Power Crisis (WPC), would add proven expertise in the growing niche of solar power. WPC also has a track record in the Pacific, delivering both on and off grid solutions with storage, including the Fred Hollows Foundation Eye Hospital in the Solomon Islands, along with showcase commercial projects in New Zealand for the Auckland Museum and Air New Zealand.

"With plug-in electric vehicle numbers on New Zealand roads recently accelerating past 1,000, and a four-fold expansion of solar since 2014, people are changing their approach to energy. New Zealand's renewable energy foundations were acknowledged in the weight of submissions last year for the country's Climate Change target, strongly highlighting the importance of action on the electrification of transport."

DIVIDEND AND GUIDANCE

Hydrology in the Waikato River catchment was below average through HY2016, with the drier conditions leading to a reduction in forecast full-year hydro production of 150 GWh, worth almost $11 million, to 4,000 GWh.

Mrs Withers said hydrology alone could shift EBITDAF 10%, so based on many years of experience the Company expected guidance to move during the year, possibly several times, as part of business as usual.

Full year EBITDAF is now expected to be in the range of $480 million to $500 million (previous guidance being $490 million to $515 million range) subject to any material adverse events, significant one-off expenses or other unforeseeable circumstances including hydrological conditions. This assumes average inflows through to 30 June 2016.

The FY2016 ordinary dividend guidance is unchanged at 14.3 cents per share.

Mrs Withers said it was pleasing to have ratings agency Standard & Poor's confirm Mighty River Power's corporate credit rating as BBB+/Stable in December. The Company targets an investment grade long-term credit rating of BBB+ as part of a prudent and sustainable capital structure. The Company receives a one-notch uplift from its stand-alone rating of 'bbb', reflecting the majority ownership of the Crown.

1. Source: *Accenture – The New Energy Consumer 2015*.

www.mightyriver.co.nz

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Mighty River Power is a company with a great New Zealand heritage, and a leader in meeting this country's energy needs with the flagship retail brand Mercury and other specialty brands. Every year the hydro and geothermal power stations operated by Mighty River Power generate enough renewable electricity for about 1 million New Zealand homes.

Mighty River Power was listed on the New Zealand Stock Exchange (NZX: "MRP") and the Australian Stock Exchange (ASX: "MYT") in May 2013 and has New Zealand's largest ownership base of nearly 100,000, alongside the Crown as majority owner.

FINANCIAL COMMENTARY
23 February 2016

Financial Results for the six months ended 31 December 2015

The following commentary provides analysis comparing the six months ended 31 December 2015 with the prior six months ended 31 December 2014[1]

FINANCIAL HIGHLIGHTS

	HY2016 ($m)	HY2015 ($m)	Change on HY2015 ($m)
Energy margin[2]	**344**	**341**	**3**
Other revenue	21	18	3
Operating Expenses	(108)	(101)	(7)
EBITDAF[2]	**257**	**258**	**(1)**
Depreciation and amortisation	(90)	(85)	(5)
Change in the fair value of financial instruments	3	1	2
Impairments	(17)	(83)	66
Earnings of associates' and joint ventures	2	1	1
Net interest expense	(49)	(48)	(1)
Tax expense	(32)	(36)	4
Profit for the period	**74**	**8**	**66**
Underlying earnings after tax[2]	**89**	**90**	**(1)**
Capital expenditure	**30**	**56**	**(26)**
Free cash flow[2]	**142**	**134**	**8**
Ordinary dividend per share (cents)	**5.70**	**5.60**	**0.10**
Basic and diluted earnings per share (cents)	5.38	0.58	4.80

1. This announcement is based on the unaudited consolidated financial statements of Mighty River Power Limited Group for the six months ended 31 December 2015. For more detailed analysis and explanation please refer to the attached interim financial statements
2. Energy margin, EBITDAF, underlying earnings after tax and free cash flow are all Non-GAAP measures. Please see the end of this release for a reconciliation of these measures

Overview

Mighty River Power's unaudited financial results for the six months ended 31 December 2015 reflect strong operating performance and a focus on customer loyalty initiatives in a competitive market. EBITDAF and underlying earnings were both within about 1% of prior period results.

Operating earnings (EBITDAF) of $257 million for the six months ended 31 December 2015 reflected increases in hydro and geothermal production offset by lower generation yields, as a result of subdued wholesale electricity prices, and competitive pressure on energy pricing to residential and business customers.

Demand continued to lift (for the sixth consecutive quarter) and the broader industry dynamic is positive with an improvement in ASX futures prices in response to the tightening supply-demand balance with reductions in thermal fuel commitments along with capacity reduction from plant closures. A resulting recovery of commercial contract pricing to more attractive levels supports the Company's decision over the past two years not to renew contracts in a low-margin, low-yield environment.

Net profit after tax (NPAT) of $74 million compares with $8 million in the prior period, with the difference due to lower non-cash impairments than those reported in HY2015 relating to geothermal investments in Chile, Germany and the US. For HY2016 the Company recognised an impairment of $18 million related to the sealing of exploratory wells and other remediation work on geothermal fields in Chile, as well as a partial impairment reversal of $1 million from the closure of Southdown gas-fired power station in Auckland.

Significant milestones included the closure of Southdown from 31 December 2015 and the acquisition announced soon after period-end of one of New Zealand's leading solar businesses, What Power Crisis. The purchase price is not material for Mighty River Power, and settlement will be completed post balance date.

Mighty River Power maintained strong operating cash flows through the interim period supporting the forecast ordinary dividend for the full year of 14.3 cents, up 2% on the previous financial year. A fully-imputed special dividend of 2.5 cents per share was paid in September relating to FY2015. In line with this forecast and the Company's dividend policy, the Board has declared a fully-imputed interim dividend of 5.7 cents per share to be paid on 31 March 2016.

As a consequence of below-average inflows into the Taupo catchment over the first eight months of the financial year, the Board and Management are now expecting full-year hydro generation of 4,000 GWh, resulting in revised EBITDAF guidance in the range of $480 million to $500 million. Previous guidance provided at the Annual Shareholders' Meeting in November 2015 was in the range of $490 million to $515 million, which assumed hydro generation of 4,150 GWh.

EBITDAF

EBITDAF fell $1 million to $257 million, reflecting increased hydro generation offset by lower prices received for generation and customer sales. Earlier phasing of operating costs was partly offset by increased third-party AMI ('smart') metering revenue and property sales.

Energy margin for HY2016 rose $3 million from $341 million to $344 million. This reflected an increase of 460 GWh in hydro production. However, above-average national hydro storage contributed to lower wholesale price volatility and consequently a flatter generation profile. This resulted in an unfavourable movement in the price received from generation relative to the price paid for electricity purchases (LWAP/GWAP). Commercial volumes (both fixed price variable volume and CFD) fell 255 GWh on the prior period as the Company chose not to renew all fixed price multi-year commitments at the prevailing yields. Fixed price variable volume yields fell 1.5% to $115.56/MWh reflecting the competitive nature of the residential and commercial markets.

ENERGY MARGIN

$ million	HY2016	HY2015
Sales	792	856
Less: lines charges	(217)	(223)
Less: energy costs	(201)	(266)
Less: other direct cost of sales, excluding third party metering	(18)	(14)
Less: third party metering	(12)	(12)
Energy margin	**344**	**341**

The competitive market was reflected in higher operating costs (up $7 million), as the Company invested more intensively during the first half of the financial year in brand promotions and loyalty initiatives. Operating costs for the full year are expected to be in line with FY2015. 'Other income' increased $3 million reflecting higher Metrix revenue as deployment of smart meters continued and property sales completed during the period.

Depreciation and amortisation

Asset revaluations in June 2015 lifted depreciation and amortisation $5 million to $90 million (compared with $85 million in the prior period).

Change in the fair value of financial instruments

The Company recognised $3 million in the change in the non-cash fair value of financial instruments, up from $1 million in the prior period, resulting from the roll-off of interest rate swaps offset by the impact of lower forward interest rates and an improvement in ASX electricity futures prices impacting non-hedge accounted CFD contracts.

Impairments

Following an unsuccessful sales process, a remediation programme in Chile has commenced. This includes the permanent sealing of exploratory geothermal wells at Tolhuaca and Puchuldiza. A $22 million provision has been made for the remediation programme which has resulted in a further $18 million impairment in the current period.

Following the planned closure of the Company's gas-fired Southdown power station on 31 December 2015, and in conjunction with the associated plant divestment process, a partial impairment reversal of $1 million has been recognised.

IMPAIRMENTS

$ million	HY2016	HY2015
Chile	18	56
Germany	-	13
United States	-	14
Southdown	(1)	-
Total	**17**	**83**

Equity accounted earnings of associates and joint ventures

Equity accounted earnings of associates and joint ventures were $2 million (HY2015: $1 million) reflecting the Company's share of earnings of $1 million from each of its joint venture investments in the US and its minority investment in Tuaropaki Power Company at Mokai.

Net interest expense

Net interest increased $1 million to $49 million, reflecting the impact of the full inclusion for the period of the $300 million of Capital Bonds issued on 11 July 2014, combined with a lower average cash balance for the period.

The Group's interest rate hedge portfolio, put in place in 2008 ahead of a major programme of domestic geothermal investment, is due to progressively roll off from the end of FY2018.

Taxation

Tax expense was down $4 million to $32 million, representing an effective tax rate for the period of 30%, slightly above the Company's corporate tax rate of 28%.

Profit for the period

Overall, profit for the period increased $66 million, principally reflecting a reduction in non-cash impairments of $66 million from $83 million to $17 million as a result of the decision in the prior period to exit international geothermal development interests in Chile and Germany.

Earnings per share

Earnings per share of 5.38 cents per share (cps) rose relative to HY2015 (0.58 cps) due to the increase in profit for the period as previously explained.

Underlying earnings after tax

Mighty River Power's underlying earnings were $89 million, $1 million lower than the prior period and in line with the movement in EBITDAF.

UNDERLYING EARNINGS

$ million	HY2016	HY2015
Profit for the period	74	8
Change in fair value of financial instruments	(3)	(1)
Impairments	17	83
Tax expense on adjustments	1	-
Underlying earnings after tax	**89**	**90**

Cash flow

Net cash provided by operating activities decreased $16 million to $160 million (HY2015: $176 million) reflecting a $28 million drop in net cash flows from customers and suppliers. Interest paid decreased by $3 million reflecting the costs associated with the issue of the Capital Bond in July 2014. Taxes paid decreased by $11 million reflecting a higher provision tax payment in the prior period relating to higher earnings in FY2013.

Net cash outflows from financing activities increased from $118 million to $150 million reflecting the impact of $300 million of inflows from the Capital Bonds and the corresponding repayment of $235 million of drawn facilities in the prior period.

Free cash flow increased from the prior year to $142 million reflecting a lower level of stay-in-business capital expenditure (set out below).

FREE CASH FLOW

$ million	HY2016	HY2015
Net cash provided by operating activities	160	176
Less: Stay-in-business capital expenditure (including accrued costs)	(18)	(42)
Free cash flow	**142**	**134**

Capital expenditure

Total capital expenditure decreased from $56 million to $30 million. Stay-in-business capital expenditure was lower-than-average at $18 million, reflecting the drilling of two new geothermal wells at operating sites in New Zealand during the prior period. Growth capital expenditure related mainly to expenditure by Metrix for the roll-out of ‘smart’ meters and related services.

CAPITAL EXPENDITURE

$ million	HY2016	HY2015
Stay-in-business capital expenditure	18	42
Growth capital expenditure	12	14
Capital Expenditure	**30**	**56**

Balance sheet

Year-on-year total assets increased by $390 million to $5,953 million, principally reflecting the $504 million upward revaluation of the Company’s property, plant and equipment at 30 June 2015.

Mighty River Power’s net tangible assets per share as at 31 December 2015 were $2.31 compared with $2.14 at 31 December 2014.

Funding and debt maturity

Net debt as at 31 December 2015 was $1,073 million, $7 million lower than at 31 December 2014, reflecting a higher cash balance. Drawn debt as at 31 December 2015 was $1,110 million (31 December 2014: $1,110 million) with undrawn facilities of $300 million (31 December 2014: $300 million). The average maturity profile for committed facilities at period end was 9.4 years compared with 10.3 years at 31 December 2014.

Declared dividends

The Company's dividend policy is to make distributions with a pay-out ratio of 70% to 85% of free cash flow on average over time. Dividend payments are split into an interim dividend paid in March, targeting 40% of the total expected ordinary dividend for the financial year, and a final dividend paid in September.

Mighty River Power also announced as part of its annual results presentations in August 2015 that following the positive financial performance achieved in FY2015, and in light of the capital structure, the Board was able to declare a fully-imputed special dividend of 2.5 cents per share, worth $34 million. This was paid to shareholders on 30 September 2015.

Full year ordinary dividend guidance of 14.3 cents per share remains unchanged, representing a 2% increase on FY2015 levels. Consistent with the dividend policy, the Board has declared a fully-imputed interim dividend of 5.7 cents per share to be paid on 31 March 2016.

The dividend will be fully-imputed which amounts to an imputation credit of 2.2167 cents per share. The Company will also pay a supplementary dividend of 1.0059 cents per share in relation to non-resident shareholders. The Company will receive from the IRD a tax credit equivalent to the supplementary dividend.

INTERIM DIVIDEND TIMETABLE

	Date	Event
Ex-dividend date	10 March 2016	To receive the interim dividend investors must own or have acquired shares before the ex-dividend date
Record date	11 March 2016	Investors who own or have acquired shares before the ex-dividend date will appear on Mighty River Power's share register on 11 March 2016
Payment date	31 March 2016	All shareholders on the 11 March share register will be paid their final dividend by cheque or direct into their bank account on 31 March 2016

FY2016 guidance and outlook

Drier-than-average conditions across the Taupo catchment during the first eight months of FY2016 has led to a reduction in forecast hydro production by 150 GWh, worth almost $11 million. Full year EBITDAF is now expected to be in the range of $480 million to $500 million (previous guidance being $490 million to $515 million) subject to any material adverse events, significant one-off expenses or other unforeseeable circumstances including hydrological conditions.

In providing FY2016 EBITDAF guidance, Mighty River Power has made the following assumptions:

- 4,000 GWh of hydro production, which assumes average inflows from March until year end;
- FY2016 operating costs comparable with FY2015 levels; and
- Completion of additional property sales.

The ultimate sale or liquidation of the geothermal development assets in Chile will trigger the release of a foreign exchange translation reserve that will adversely impact operating costs by around $10 million when completed. This is a non-cash impact and is not expected to be incurred in FY2016.

The full year (FY2016) ordinary dividend guidance of 14.3 cents per share is maintained.

LIVE WEBCAST

The briefing will be held at 11am (NZ time) when Chief Executive, Fraser Whineray and Chief Financial Officer, William Meek, will provide commentary and take questions. You can view the live webcast by clicking here.

NON-GAAP FINANCIAL INFORMATION

The Company believes that the following Non-GAAP financial information is useful to investors for the reasons set out below. Mighty River Power has reported these measures of financial performance to date and intends to do so in the future, allowing investors to compare periods. The basis of these calculations can either be found below or as part of the Financial Statements.

EBITDAF is reported in the income statement of the Financial Statements and is a measure that allows comparison across the electricity industry. EBITDAF is defined as earnings before net interest expense, income tax, depreciation, amortisation, change in fair value of financial instruments, impairments and equity accounted earnings.

Energy margin is defined as sales less lines charges, energy costs and other direct cost of sales, including metering. Energy Margin provides a measure that, unlike sales or total revenue, accounts for the variability of the wholesale spot market and the broadly offsetting impact of wholesale prices on the cost of retail electricity purchases and can be derived from the financial statements as follows:

ENERGY MARGIN

$ million	HY2016	HY2015
Sales	792	856
Less: lines charges	(217)	(223)
Less: energy costs	(201)	(266)
Less: other direct cost of sales, excluding third party metering	(18)	(14)
Less: third party metering	(12)	(12)
Energy margin	**344**	**341**

Underlying earnings reported in Note 3 of the Financial Statements, is net profit for the half year adjusted for one-off and/or infrequently occurring events exceeding $10 million of net profit before tax, impairments and any changes in the fair value of derivative financial instruments. In contrast to net profit, the exclusion of certain items enables a comparison of the underlying performance across time periods.

Net debt is defined as current and non-current loans less cash and cash equivalents and loan fair value adjustments and is a metric commonly used by investors and can be derived from the Financial Statements as follows:

NET DEBT

$ million	As at 31 December 2015	As at 31 December 2014
Current borrowings at carrying value	132	10
Add: Non-current loans at carrying value	1,046	1,127
Add: Fair value adjustments US Private Placement	(64)	(24)
Less: cash and cash equivalents	(41)	(33)
Net debt	**1,073**	**1,080**

Free cash flow is net cash provided by operating activities less stay-in-business capital expenditure (including accrued costs). Free cash flow is a measure that the Company uses to evaluate the levels of cash available for debt repayments, growth capital expenditure and dividends.

FREE CASH FLOW

$ million	HY2016	HY2015
Net cash provided by operating activity	160	176
Less: Stay-in-business capital expenditure (including accrued costs)	(18)	(42)
Free cash flow	**142**	**134**

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23 February 2016

Financial Results

Six months ended 31 December 2015

MIGHTY RIVER POWER

Presented by:

Fraser Whineray
Chief Executive

William Meek
Chief Financial Officer

Disclaimer

The information in this presentation has been prepared by Mighty River Power Limited with due care and attention. However, neither the Company nor any of its directors, employees, shareholders nor any other person shall have any liability whatsoever to any person for any loss (including, without limitation, arising from any fault or negligence) arising from this presentation or any information supplied in connection with it.

This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks, uncertainties and assumptions. There is no assurance that results contemplated in any projections and forward-looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about Mighty River Power Limited.

A number of non-GAAP financial measures are used in this presentation, which are outlined in the appendix of the presentation. You should not consider any of these in isolation from, or as a substitute for, the information provided in the unaudited consolidated financial statements for the six months ended 31 December 2015, which are available at www.mightyriver.co.nz.

Forward-looking statements are subject to any material adverse events, significant one-off expenses or other unforeseeable circumstances including hydrological conditions.

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice or any recommendation. Nothing in this presentation constitutes legal, financial, tax or other advice.

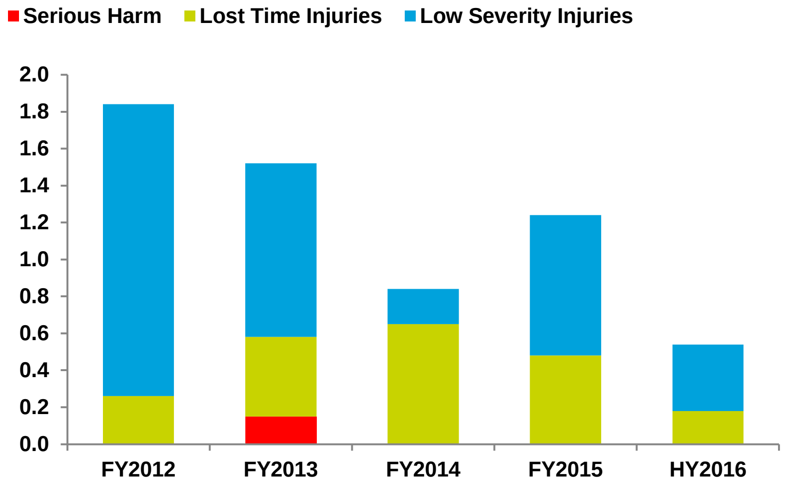
Agenda

Focus on operations and building customer loyalty

Health and safety

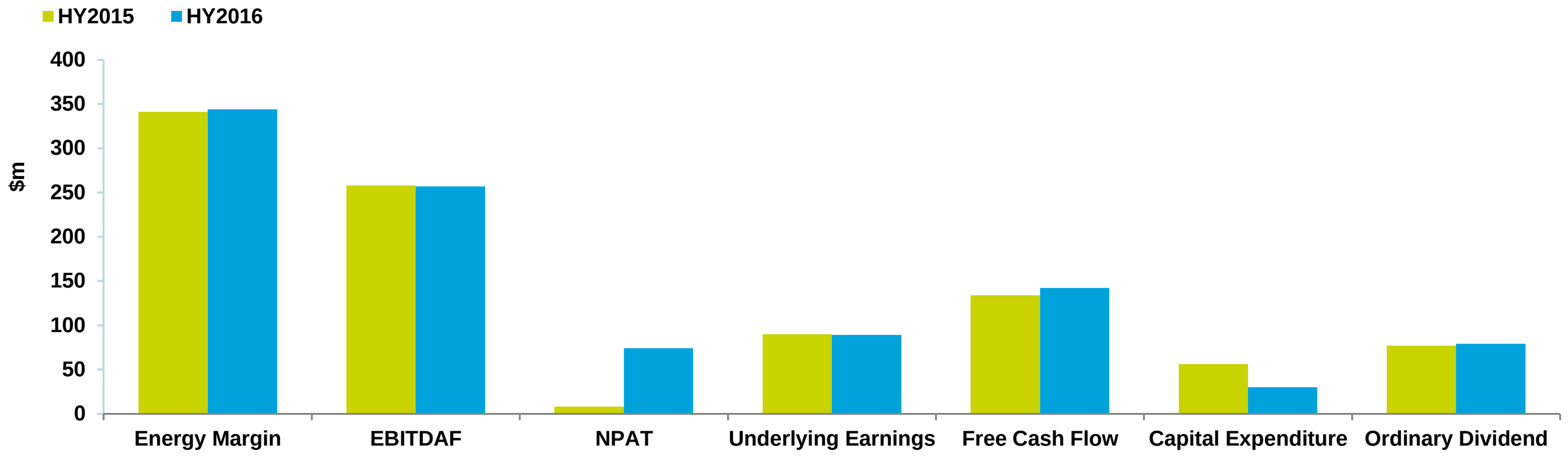
- On-going commitment to Zero Harm
  - Total Recordable Injury Frequency Rate (TRIFR) and severity declining with one lost time incident in HY2016
  - Strong focus on low probability, high consequence events as part of further improving Process Safety
- Working toward industry alignment through continued collaboration with industry peers
  - Framework to better support lone workers
  - Alignment of confined space entry documentation

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)
(per 200,000 hours; includes employees and on-site contractors)



HIGHLIGHTS

HY2016 vs. HY2015

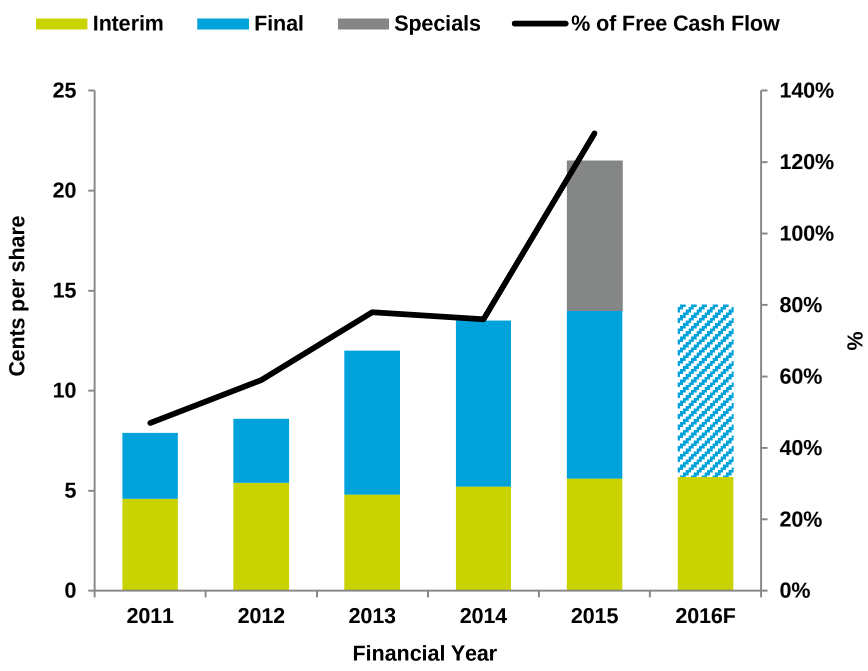


- Energy margin, EBITDAF and underlying earnings flat due to increased generation being offset by lower generation yields and competitive pressures on energy pricing to residential and business customers
- Profit up reflecting lower non-cash impairments relating to the decision to exit international geothermal development and the decommissioning of Southdown in the prior period
- Free cash flow and capital expenditure impacted by higher-than-average reinvestment capital expenditure (drilling two geothermal wells) in the prior period

Dividend

- Mighty River Power's dividend policy is to make distributions with a pay-out ratio of 70% to 85% of free cash flow on average over time*
- HY2016 fully-imputed dividend up 2% to 5.7 cents per share
- FY2016 dividend guidance of 14.3 cents per share maintained
- Buyback programme announced on 24 February 2015 has expired with no shares purchased

DIVIDEND



*With consideration given to working capital requirements, maintenance of a BBB+ credit rating, economic market and hydrological risks, and estimated financial performance

Market Dynamics

MARKET DYNAMICS

Customer

- > NZ among the most competitive electricity markets in the world – Accenture 2015
  - > MBIE ‘Residential Based Electricity Sales Price’ down 2.8% (-4.2% energy and -0.7% lines)*
- > Rewarding loyalty leading to reduced churn
  - > Good Energy Days leading to increased customer satisfaction
  - > Overall 65% of Mercury customers are highly satisfied in the Company’s regular survey – the highest of the 5 large retailers
  - > Mercury customer churn is 17.4% nationally and 16.8% in Auckland relative to a market average of 19.9%
- > On-going focus on increasing depth of relationship through innovative customer propositions
  - > The acquisition of What Power Crisis (WPC) will add to innovative customer solutions available – GLOBUG, Good Energy Monitor (GEM), fixed-price contracts

*Sales-based costs reflects uptake of prompt payment, dual fuel and incentive discounts not incorporated in MBIE Quarterly Survey of Domestic Electricity Prices

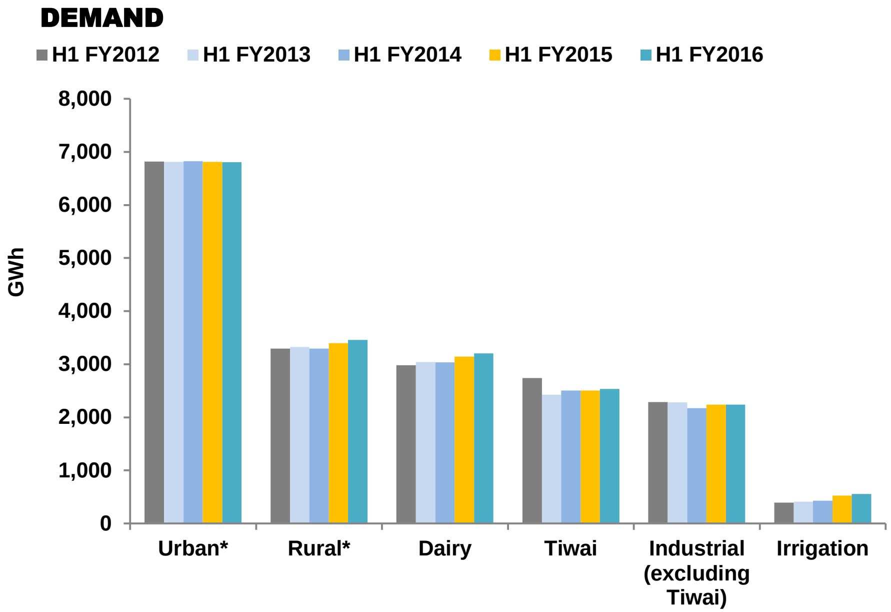
Demand

- Demand growth continues with highest 1H demand on record and increases (relative to pcp) over the past six quarters
  - up 1.4% in HY2016, 0.9% after normalising for temperature

HY2016 DEMAND GROWTH BY SECTOR

Sector	GWh	%
Dairy processing	+63	2.0%
Rural*	+56	1.5%
Irrigation	+30	5.8%
Industrial	+26	0.6%
Urban*	-8	-0.1%

*normalised for temperature



Supply

> Taupo inflows 94% of average in HY2016 (national inflows 95% of average)

> El Niño remains strong, but is in gradual decline. Climate models suggest a return to neutral levels in the second quarter of 2016*

> > El Niño conditions typically produce dry conditions in the east of New Zealand, and more rain in western areas (particularly in the south)

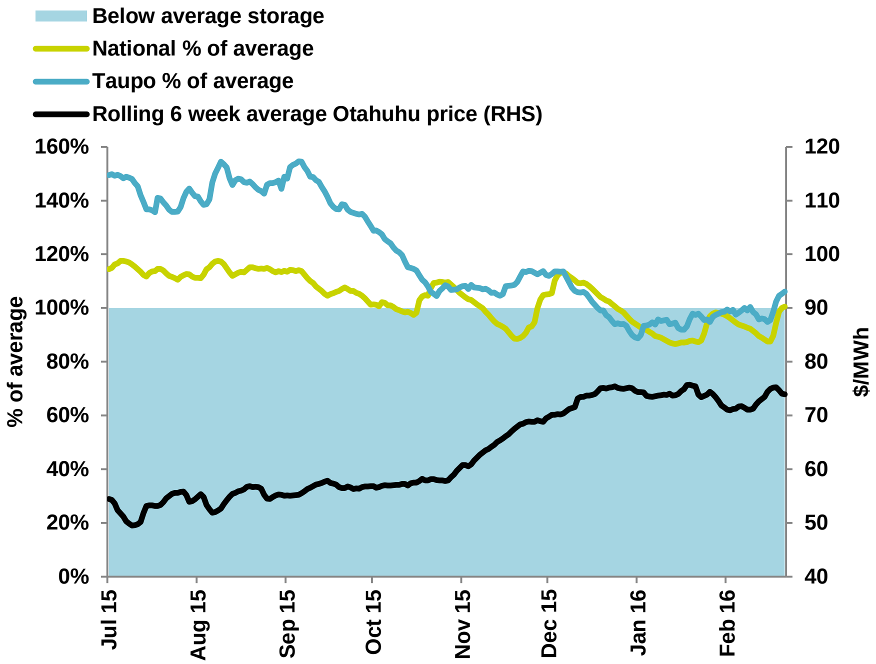
> > Conditions in January 2016 not characteristic of El Niño

NATIONAL AND TAUPO INFLOW PERCENTILE

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Taupo	46th	84th	71st	17th	20th	2nd	55th
National	74th	79th	35th	48th	42nd	20th	36th

*Australian Government Bureau of Meteorology

NATIONAL AND TAUPO STORAGE LEVELS



Supply

Contracted fuel supply

Decreased by ~1,350GWh to June 2017

- Genesis Energy exited its coal supply contract with Solid Energy, foregoing circa 667kT of coal contracted for delivery between November 2015 and June 2017
- Genesis Energy's coal stockpile down to 600kT as at 31 December 2015 (or less than 12 months of generation*)

Generation capacity

Decreased by 540MW

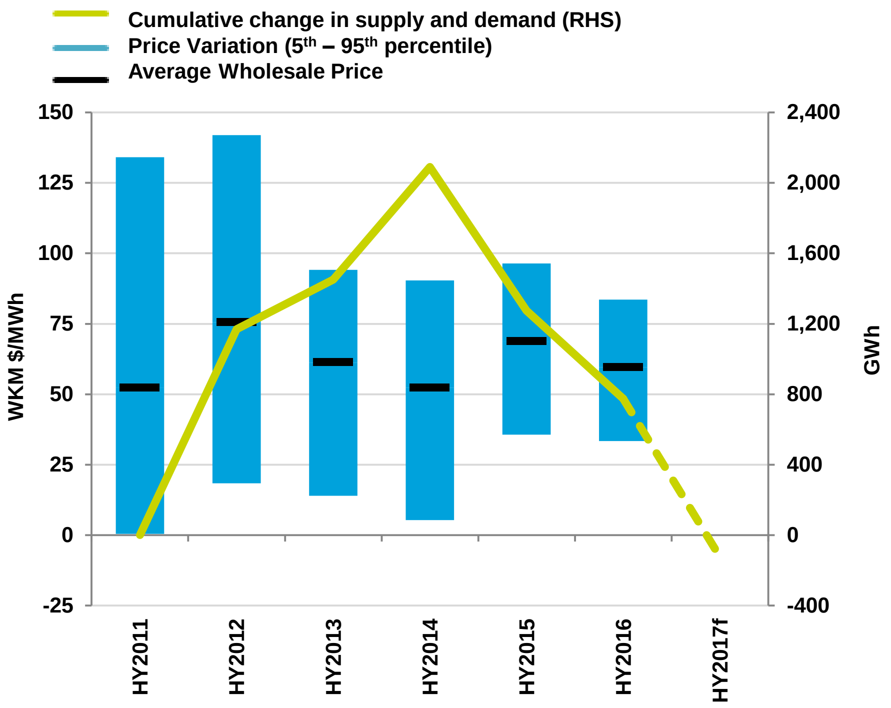
- Mighty River Power closure of its 140MW Southdown power station in December 2015 (announced March 2015)
- Contact Energy closure of its 400MW Otahuhu B power station in September 2015 (announced August 2015)

* Based on average generation for FY14 - FY15

Wholesale prices

- Wholesale price volatility has been muted in recent years principally due to hydrology and excess thermal capacity and inflexible fuel supply arrangements
- With recent reductions in contracted fuel supply and plant closures volatility is likely to increase
  - Beneficial to Mighty River Power's flexible North Island hydro assets

WHOLESALE PRICE VOLATILITY*



*Assumed supply changes include:

HY2012: Te Uku, Stratford Peakers, Te Rere Hau Stage 3, Mahinerangi Stage 1

HY2014: McKee, long-term storage of Huntly 4th unit (HY2014)

HY2015: Te Mihi, Ngatamariki, change in operating strategy of TCC and Otahuhu B, long-term storage of Huntly 3rd unit

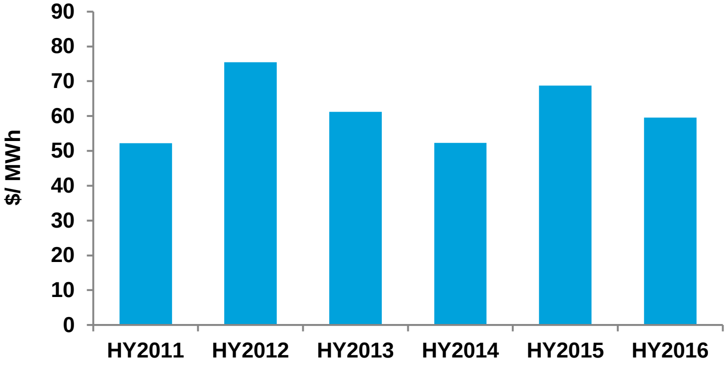
HY2016: Mill Creek

HY2017f: Southdown closure, Otahuhu closure

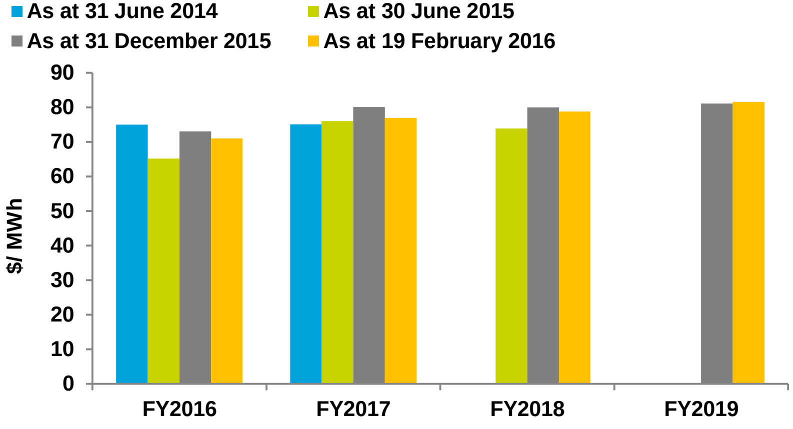
Wholesale prices

- ASX futures prices (all periods) rose through HY2016 reflecting an improved supply and demand outlook
- FY2019 prices are trading at a 3.5% premium to FY2018 and is likely a reflection of the market's view of:
  1) The ongoing operation of the Tiwai aluminium smelter beyond 2019; and
  2) The ongoing operation of the Huntly Rankine units beyond 2019

AVERAGE WHOLESALE PRICE (WKM)



ASX FUTURES SETTLEMENT PRICE (OTA)



Future demand & supply balance

SYSTEM OPERATOR SECURITY OF SUPPLY RISK 2019*

HUNTLY RANKINE UNITS	TIWAI ALUMINIUM SMELTER: STAY	TIWAI ALUMINIUM SMELTER: GO
STAY	Security of supply risk moderate to low	NOT ECONOMICALLY FEASIBLE
GO	Energy supply risk high but "manageable" with 350MW of new investment	Peak load capacity risk high but "manageable"

* Security of supply analysis findings and implications of thermal decommissioning – System Operator 9 December 2015

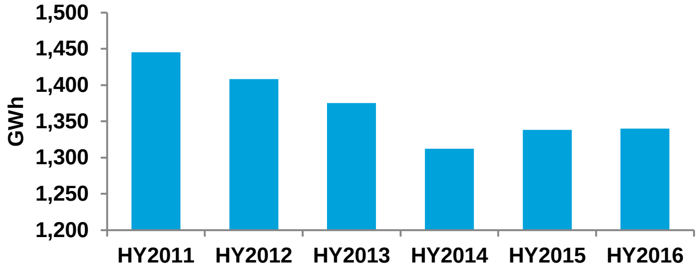
- Future of Tiwai smelter and Huntly Rankine units intimately linked
  - New generation investment challenging with Tiwai uncertainty
  - Huntly Rankine units are 'fit for purpose' to supply dry year support to South Island hydro generation
- Tiwai likely cash flow positive in 2016 and ASX futures suggest it remains post 2018
  - "I am confident that every one of our smelters will be cash positive in 2016 without relying on market recovery" - Alf Barrios, CEO of Rio Tinto Aluminium (Dec 2015)
- Resolution of Tiwai important for region, energy sector and NZ
  - Planning for economy / employment impacts
  - Clear long-term investment signals

Operational Update

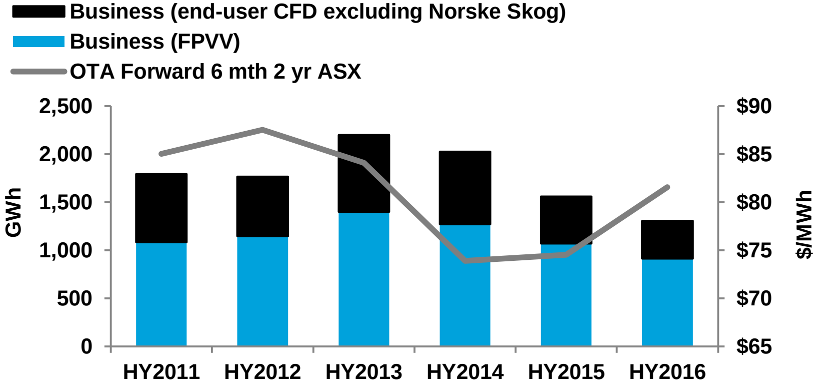
Electricity sales

- > Residential sales steady
- > Business (FPVV) and Industrial (CFD) sales down 255GWh due to multi-year portfolio decisions to maximise value
- > Average FPVV price down 1.5% to $115.56/MWh reflecting competition for retail and business sales (and in line with MBIE sales price data)
- > ASX prices lifting to levels where value more attractive (with new contract sales lagging price)

RESIDENTIAL SALES (FPVV)



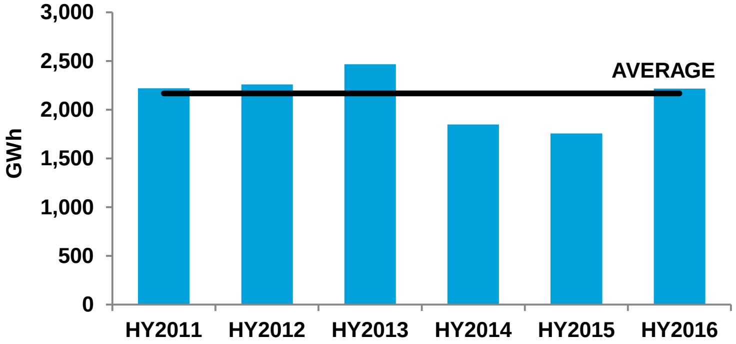
BUSINESS SALES



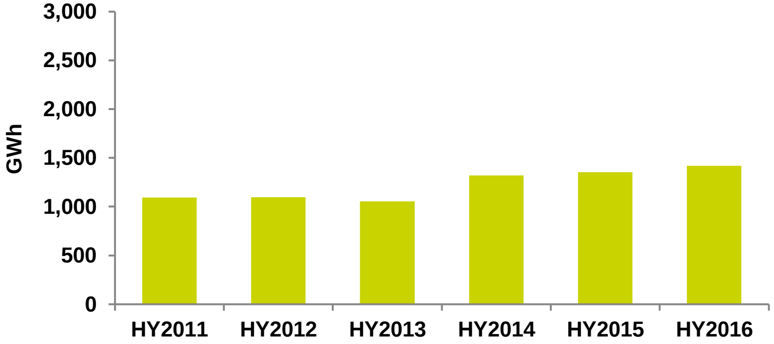
Electricity generation

- Generation 374GWh higher than HY2015
  - Geothermal generation was the highest ever, up 64GWh (5%) and reflecting 95% availability across all stations and successful replacement of the Nga Awa Purua turbine
  - Hydro generation was 48GWh (2%) higher than average and 460GWh (26%) higher than HY2015 reflecting favourable Taupo storage at the start of HY2016
  - Thermal generation was down 148GWh as Southdown was prepared for closure at the end of the period
- Mighty River Power's generation portfolio is now 100% renewable with the closure of Southdown

HYDRO



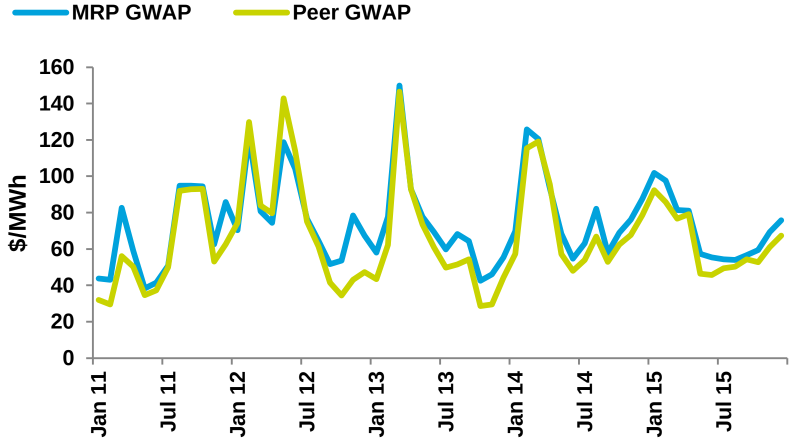
GEOTHERMAL



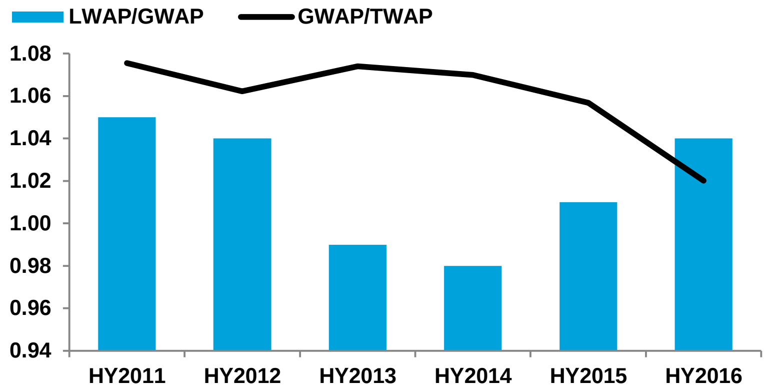
LWAP/GWAP

- HY2016 GWAP is unfavourably lower to due to muted price volatility reflecting over-supply and relative hydrological conditions
  - LWAP/GWAP – ratio of the cost of electricity purchased (LWAP) relative to price received for generation (GWAP)
  - $1/MWh differential between GWAP and LWAP equivalent to circa $7m/annum ($8m negative impact in HY2016)
  - GWAP favourable to peers reflecting the flexibility and location of Mighty River Power’s North Island renewable generation portfolio

AVERAGE MONTHLY GWAP



LWAP/GWAP



Financial Update

Financial highlights

$1M ↓

EBITDAF down due to increased generation offset by lower generation and sales yields

$66M ↑

Profit up $66m due mostly to a reduction in non-cash impairments

$17M

Net non-cash impairments relating to Chile geothermal remediation and Southdown

$8M ↑

Free Cash Flow up reflecting a return to normal re-investment capex

5.7¢ per share

Fully imputed Interim Dividend declared

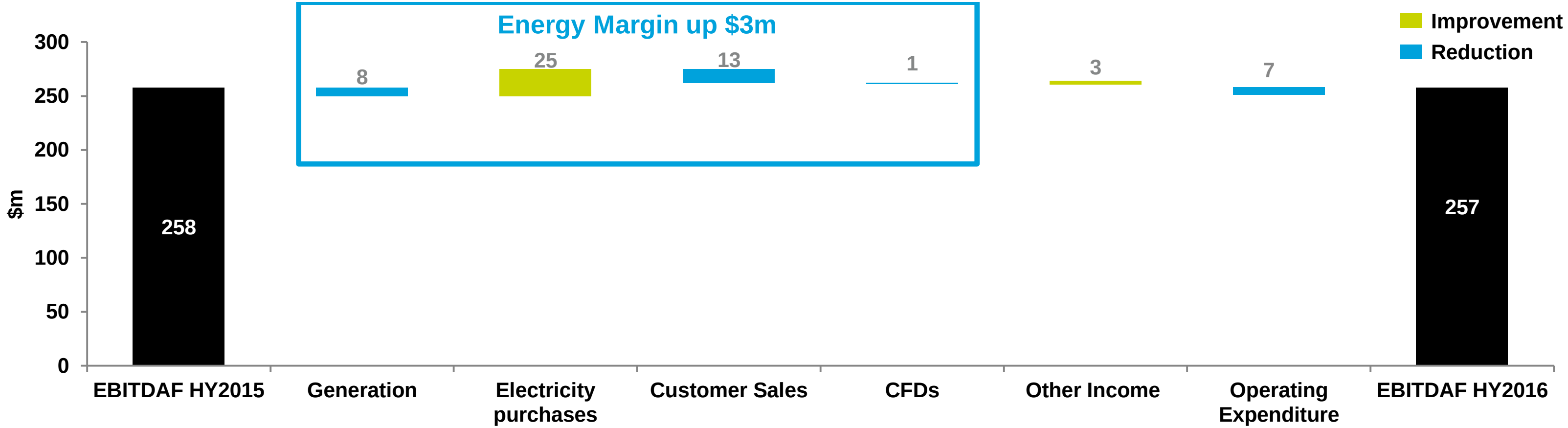
BBB+

S&P rating of BBB+/stable reaffirmed

Mighty River Power’s results for the six months ended 31 December 2015 are unaudited

EBITDAF (HY2016 vs HY2015)

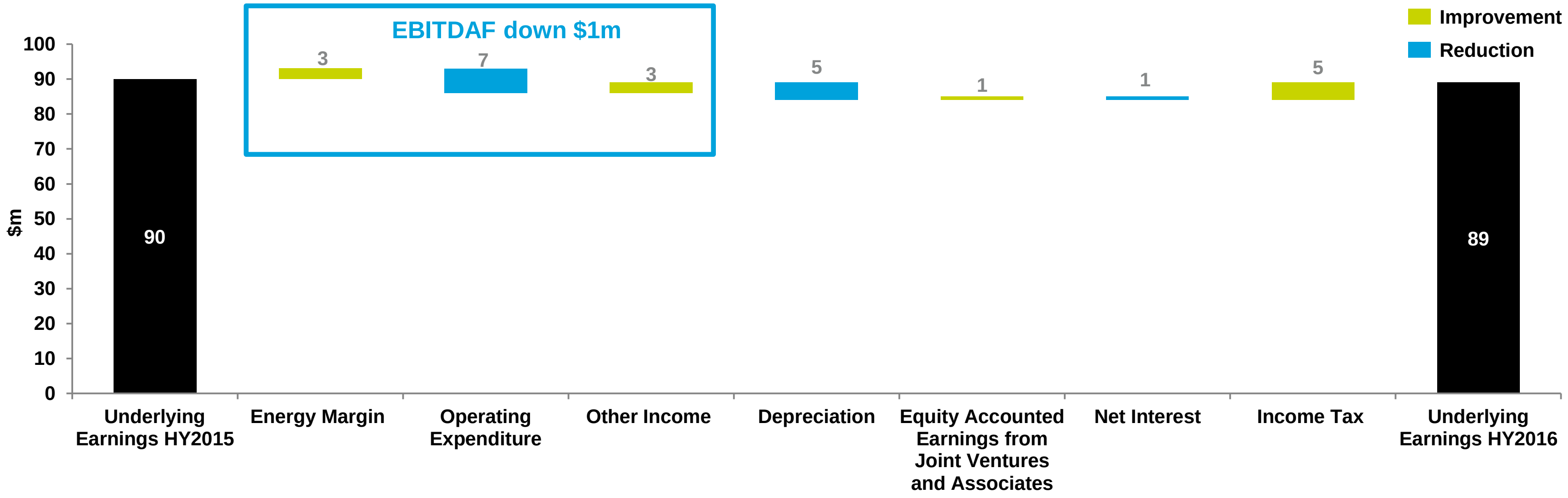
- Energy margin up $3m
  - 374GWh more generation offset by lower relative generation yields (LWAP/GWAP)
  - 245GWh less commercial sales (FPVV and CFD)
- Operating expenditure up $7m due to earlier phasing of marketing and maintenance spend
  - FY2016 operating expenditure is expected to be comparable to FY2015



Underlying earnings and NPAT (HY2016 vs HY2015)

> Underlying earnings down $1m reflecting slightly lower EBITDAF and higher depreciation (relating to the FY15 asset revaluations), offset by lower tax

> Profit for the period up $66m reflecting the change in non-cash impairments between periods relating to international geothermal and Southdown



Chile remediation and Southdown

International geothermal (Chile)

> Due to an unsuccessful sales process a remediation programme in Chile has commenced. This includes the permanent sealing of exploratory geothermal wells at Tolhuaca and Puchuldiza

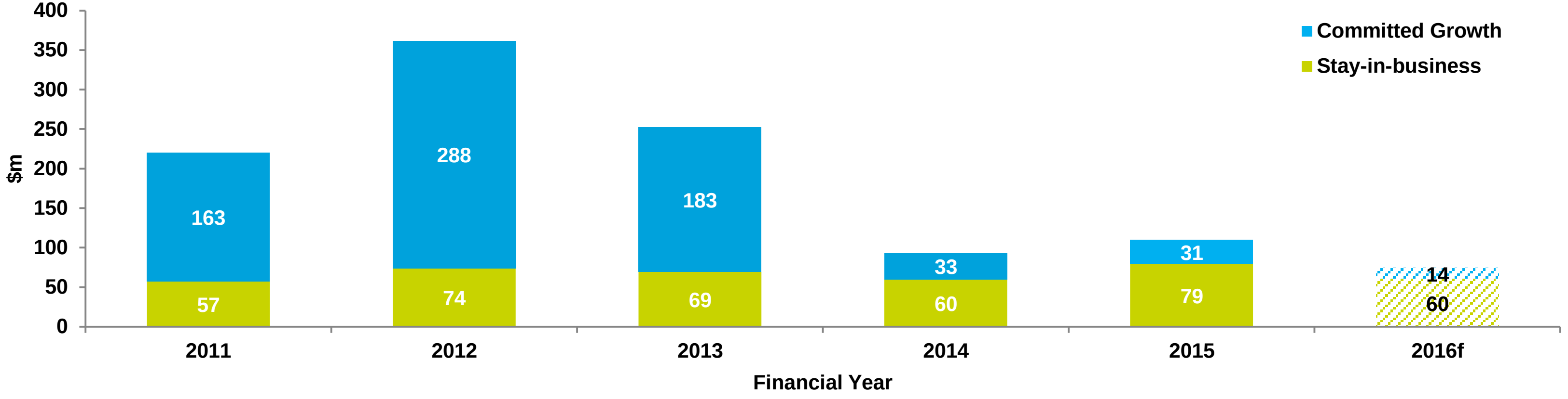
> A $22m provision (an increase of $18m) has been made for the remediation programme

Southdown

> Sales process well advanced and expected to conclude shortly

Capital expenditure

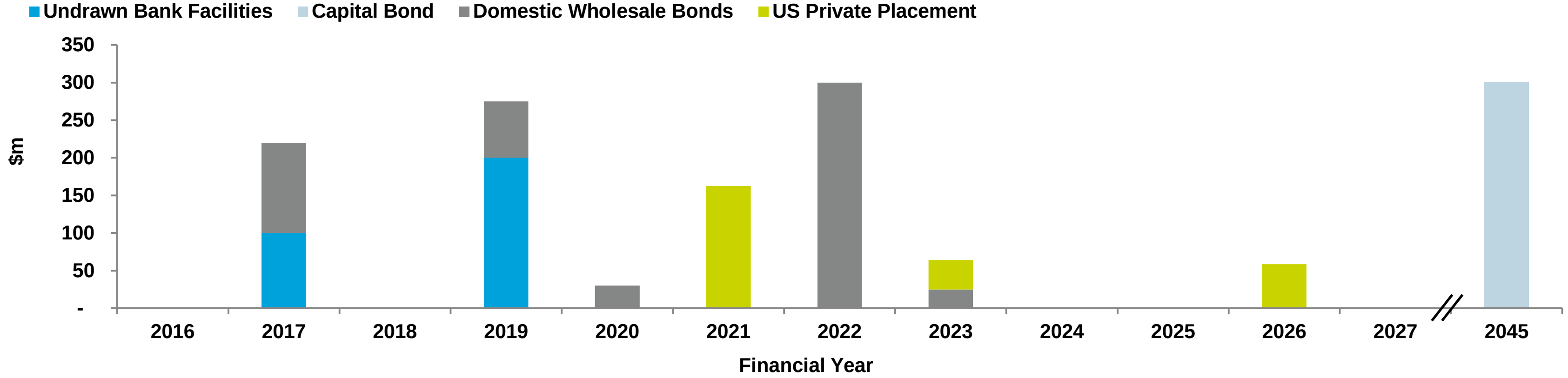
- Capital expenditure of $30m (HY2015: $56m)
  - New investment of $12m (HY2015: $14m) includes smart metering spend
  - Stay-in-business of $18m (HY2015: $42m) reflects successful replacement of the Nga Awa Purua turbine and on-going hydro life-cycle refurbishment
- Geothermal reservoir management
  - Drilling campaign planned to commence in FY2017 to co-ordinate reservoir management across multiple fields
  - Procurement of services, design and equipment in progress



Funding profile and ratios

> S&P re-affirmed Mighty River Power's credit rating of BBB+/stable on 23 December 2015

DEBT MATURITIES AS AT 31 DECEMBER 2015



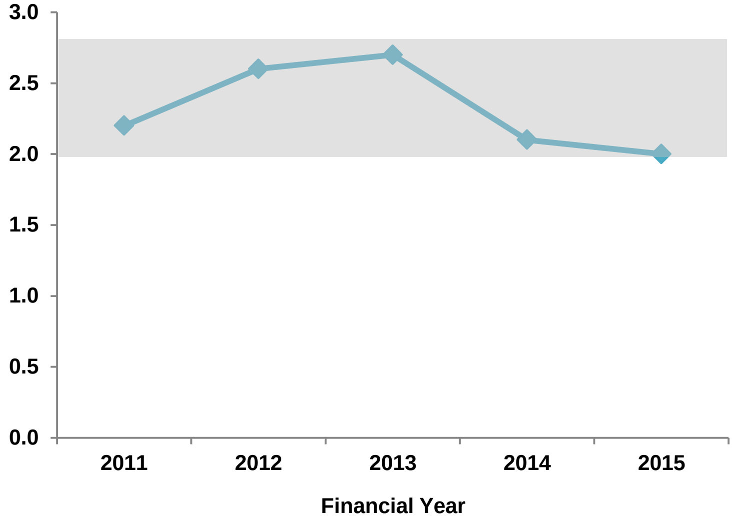
	31 December 2015	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
Net debt ($m)	1,073	1,082	1,031	1,028	1,116	976
Gearing ratio (%)	24.9	24.5	24.3	24.4	27.0	25.1
Debt/EBITDAF (x)	N/A	2.0*	2.1	2.7	2.6	2.2

*Adjusted for S&P treatment of subordinated debt

Capital allocation

- Maintenance of balance sheet flexibility
  - Key ratio (Debt/EBITDAF) at low end of band for ‘bbb’ stand alone credit rating
  - 23m treasury shares from $50m buy-back in FY2014
- Growth opportunities assessed against all competing uses of funds
  - M&A or development opportunities need to be value accretive and return at least cost-of-capital
- Capital management reviewed on an on-going basis

DEBT/EBITDAF



Outlook

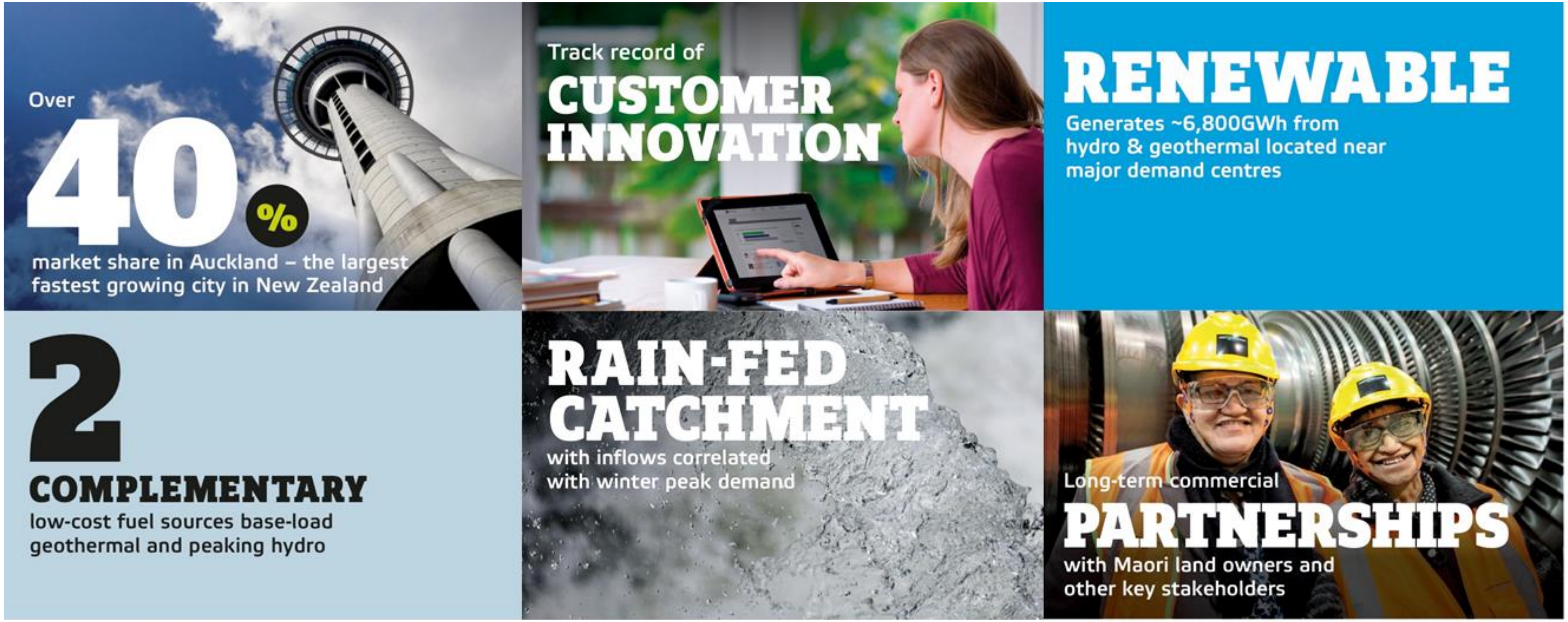
FY2016 guidance and outlook

- Maintained strong cash flow supporting the FY2016 dividend guidance of 14.3 cents per share
- Following dry conditions 150GWh (worth $11m) reduction in hydro production forecast
- FY2016 EBITDAF will be in the range of $480m to $500m subject to any material adverse events, significant one-off expenses or other unforeseeable circumstances assumes:
  - 4,000GWh of hydro production which assumes mean inflows from March until year end;
  - FY2016 operating costs comparable with FY2015; and
  - The completion of additional property sales
- Release of $10m FX translation reserve triggered on the ultimate sale or liquidation of Chilean development assets
  - This is a non-cash impact and is not expected to be incurred in FY2016

Customer, Company, Country

Operate	Build	Grow
Together Safe – 'zero-harm'	Strengthen customer empowerment, loyalty and experience	A better Waikato water ecosystem
Portfolio optimisation	Leveraging relationships to provide customer solutions	Electric vehicles
Cost efficiency	Value accretive M&A	Solar
Capital productivity		Generation development
Metrix service delivery		

Mighty River Power’s competitive advantage



Questions

Appendix

Operating information

Electricity Sales	Six months ended 31 December 2015 VWAP[1] ($/MWh)	Six months ended 31 December 2015 Volume (GWh)	Six months ended 31 December 2014 VWAP[1] ($/MWh)	Six months ended 31 December 2014 Volume (GWh)	Twelve months ended 30 June 2015 VWAP[1] ($/MWh)	Twelve months ended 30 June 2015 Volume (GWh)
FPVV sales to customers	115.56	2,253	117.31	2,409	117.21	4,486
Residential customers		1,340		1,338		2,497
Commercial customers		913		1,070		1,989
FPVV purchases from market		2,380		2,532		4,717
Spot customer purchases		520		719		1,387
Total NZEM purchases	63.27	2,900	73.05	3,251	76.26	6,104
Electricity Customers ('000)	380		385		382	
North Island customers	344		350		348	
South Island customers	36		35		34	
Dual Fuel customers	41		41		40	

1 VWAP is volume weighted average energy-only price sold to FPVV customers after lines, metering and fees

Operating information

	Six months ended 31 December 2015		Six months ended 31 December 2014		Twelve months ended 30 June 2015	
Electricity Generation	**VWAP ($/MWh)**	**Volume (GWh)**	**VWAP ($/MWh)**	**Volume (GWh)**	**VWAP ($/MWh)**	**Volume (GWh)**
Hydro	61.41	2,215	75.82	1,755	77.82	3,327
Gas[4]	68.62	146	76.60	294	84.58	464
Geothermal (consolidated)[1]	58.93	1,299	67.65	1,237	70.63	2,545
Geothermal (equity accounted)[2]	59.40	118	67.97	116	71.94	227
Total	**60.78**	**3,778**	**72.65**	**3,404**	**75.30**	**6,563**
LWAP/GWAP	**1.04**		**1.01**		**1.01**	
	VWAP ($/MWh)	**Volume (GWh)**	**VWAP ($/MWh)**	**Volume (GWh)**	**VWAP ($/MWh)**	**Volume (GWh)**
Gas Purchases	**$/GJ**	**PJ**	**$/GJ**	**PJ**	**$/GJ**	**PJ**
Retail purchases[3]	9.19	0.61	9.21	0.61	9.22	1.08
Generation purchases[4]	6.21	1.70	6.93	2.79	5.90	4.72
Carbon Emissions ('000 tonnes)	249		294		647	

1 Includes Mighty River Power's 65% share of Nga Awa Purua generation
2 Tuaropaki Power Company (Mokai) equity share
3 Prices include fixed transmission charges
4 Includes the virtual peaker operation

Contracts for difference

	Six months ended 31 December 2015	Six months ended 31 December 2014	Twelve months ended 30 June 2015
Net Contracts for Difference (Sell)/Buy GWh			
Sell - End User	(746)	(844)	(1,623)
Sell - VAS[1]	(352)	(352)	(699)
Sell - Inter-generator & ASX	(821)	(543)	(1,061)
Sell CFD	(1,919)	(1,739)	(3,383)
Buy CFD	929	894	1,697
CFD	**(990)**	**(846)**	**(1,686)**
Energy Margin contribution ($m)	**$14m**	**$15m**	**$22m**

1 VAS included on both buy and sell side CFDs

Balance sheet

$m	As at 31 December 2015	As at 31 December 2014	$m change	% change	As at 30 June 2015
SHAREHOLDERS' EQUITY					
Total shareholders' equity	**3,236**	**3,010**	**226**	**7.5**	**3,337**
ASSETS					
Current assets	280	270	10	3.7	286
Non-current assets	5,667	5,293	374	7.1	5,744
Held for sale	6	-	6	N/A	28
Total assets	**5,953**	**5,563**	**390**	**7.0**	**6,058**
LIABILITIES					
Current liabilities	334	212	122	57.5	198
Non-current liabilities	2,383	2,341	42	1.8	2,518
Held for sale	-	-	-	-	5
Total liabilities	**2,717**	**2,553**	**164**	**6.4**	**2,721**
TOTAL NET ASSETS	**3,236**	**3,010**	**226**	**7.5**	**3,337**

Consolidated cash flow

$m	Six months ended 31 December 2015	Six months ended 31 December 2014	$m change	% change	Twelve months ended 30 June 2015
Net cash provided by operating activities	160	176	(16)	(9.1)	309
Net cash used in investing activities	(1)	(47)	46	97.9	(103)
Net cash (used in)/provided by financing activities	(150)	(118)	(32)	(27.1)	(195)
Cash at the end of the period	41	33	8	24.3	32

Non-GAAP measure: energy margin

- Energy margin provides a measure that, unlike sales or total revenue, accounts for the variability or the wholesale spot market and the broadly offsetting impact of wholesale prices on the cost of retail electricity purchases

$m	Six months ended 31 December 2015	Six months ended 31 December 2014	Twelve months ended 30 June 2015
Sales	792	856	1,627
Less: lines charges	(217)	(223)	(422)
Less: energy costs	(201)	(266)	(507)
Less: other direct cost of sales excluding third party metering	(18)	(14)	(26)
Less: third party metering	(12)	(12)	(24)
Energy margin	**344**	**341**	**648**

Non-GAAP measure: free cash flow

> Free cash flow is a measure that the Company uses to evaluate the levels of cash available for debt repayments, growth capital expenditure and dividends

$m	Six months ended 31 December 2015	Six months ended 31 December 2014	Twelve months ended 30 June 2015
Net cash provided by operating activities	160	176	309
Less: Reinvestment capital expenditure (including accrued costs)	(18)	(42)	(79)
Free Cash Flow	**142**	**134**	**230**

Non-GAAP measure: EBITDAF, underlying earnings and net debt

- EBITDAF is reported in the financial statements and is a measure that allows comparison across the electricity industry
- Underlying earnings is reported in the financial statements and in contrast to net profit, the exclusion of certain items enables a comparison of the underlying performance across time periods
- Net debt is reported in the financial statements and is a measure commonly used by investors

APPENDIX 7 – NZSX Listing Rules

EMAIL: announce@nzx.com

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one (Please provide any other relevant details on additional pages): 1

Full name of Issuer: Mighty River Power Limited

Name of officer authorised to make this notice: Tony Nagel, GM Corporate Affairs

Authority for event, e.g. Directors' resolution: Directors' resolution

Contact phone number: +64 9 308 8200

Contact fax number: +64 9 308 8209

Date: 23 / 02 / 2016

Nature of event
Tick as appropriate

Bonus Issue	[ ]
If ticked, state whether: Taxable	[ ]
/ Non Taxable	[ ]
Conversion	[ ]
Interest	[ ]
Rights Issue Renouncable	[ ]
Rights Issue non-renouncable	[ ]
Capital change	[ ]
Call	[ ]
Dividend	[X]
If ticked, state whether: Interim	[X]
Full Year	[ ]
Special	[ ]
DRP Applies	[ ]

EXISTING securities affected by this

If more than one security is affected by the event, use a separate form.

Description of the class of securities: Mighty River Power Limited ordinary shares

ISIN: NZMRPE0001S2
If unknown, contact NZX

Details of securities issued pursuant to this event

If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities:

ISIN:
If unknown, contact NZX

Number of Securities to be issued following event:

Minimum Entitlement:

Ratio, e.g 1 for 2: for

Conversion, Maturity, Call Payable or Exercise Date:
Enter N/A if not applicable

Treatment of Fractions:

Tick if pari passu [ ] *OR provide an explanation of the ranking*:

Strike price per security for any issue in lieu or date Strike Price available.

Monies Associated with Event

Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents

Amount per security (does not include any excluded income): $0.05700

Source of Payment: Income available for distribution

Excluded income per security (only applicable to listed PIEs): not applicable

Currency: New Zealand Dollars

Supplementary dividend details - NZSX Listing Rule 7.12.7

Amount per security in dollars and cents: $0.010059

Date Payable: 31 March 2016

Total monies: $78,475,537

Taxation

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price: $

Resident Withholding Tax: $0.003958

Imputation Credits (Give details): $0.022167

Foreign Withholding Tax: $

FWP Credits (Give details):

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm
For calculation of entitlements -: 11 March 2016

Application Date
Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.: 31 March 2016

Notice Date
Entitlement letters, call notices, conversion notices mailed:

Allotment Date
For the issue of new securities. Must be within 5 business days of application closing date.:

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

NZX